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ABSTRACT

To determine the effectiveness of upward communication programs within nonindustrial companies in the United States, a study was devised that examined the ways in which top management and employees communicate. Of the 130 respondents to a survey of 300 top nonindustrial companies, 62 companies acknowledged that they maintained some type of upward communication program. Responses to a second survey regarding the programs' effectiveness revealed the following results: the median number of years of operation was three years, a high concentration of such programs occurred in the life insurance and commercial banking industries, most of the programs involved the services of a designated director who was responsible for taking employee concerns to management and obtaining a reply, most directors felt that employees opinions had little effect on management decisions, and employees tended to be less supportive of such programs than the directors were. This last condition was attributed to slow responses to employee questions, lack of publication regarding sensitive issues, and lack of follow up after management-promised action. (Author/MAI)

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UPWARD COMMUNICATION PROGRAMS WITHIN UNITED STATES NON-INDUSTRIAL CORPORATIONS: A DESCRIPTION AND ANALYSIS

A thesis submitted in partial satisfaction of the requirements for the degree of Master of Arts in

Mass Communication

by

Virginia Fulton Terry

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ABSTRACT

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by

Virginia Fulton Terry

Master of Arts in Mass Communication

Program directors of upward communication programs within American non-industrial companies were surveyed regarding the state of the art and effectiveness of upward communication programs. These programs are formalized channels within business organizations which enable employees and top management to communicate. The programs have been instituted by top management to learn the concerns of employees.

All companies within the 1977 Fortune 300 Top Non-Industrial companies were mailed a questionnaire asking whether their company had a formalized upward communication program. Of the 130 respondents, 62 companies, or 48 percent responded they maintained some type of upward

communication program. These respondents were mailed a second questionnaire asking the effectiveness of their respective programs.

The survey found a great amount of interest in upward communication programs among business organizations, and a strong indication that the use of such programs is likely to continue to grow in United States corporations.

The median number of years the program had operated within these companies was three years. Sixty-nine percent were operated company-wide. Eighty-five percent of companies with programs reported less than 21,000 employees.

A high concentration of upward communication programs were found in two industries: life insurance and commercial banking. Sixty-three percent of the companies reporting upward communication programs were within these two industries. Both industries also had a high tendency to operate more than one type of upward communication program.

One type of program dominated all other types of programs used--that is the "designated program director" type, or liaison who takes the employee concerns to management and gets back to the employee with a response from management. Seventy-three percent of the reported programs used this method of upward communication.

The upward communication programs were generally found to be effective by program directors. The majority of the

directors stated that their employees are free to ask questions of management without fear of reprisal, that their program enables management to learn employee concerns, that it allows employees to express their frustrations, and that it points out potential trouble areas that might otherwise be overlooked.

Directors also felt that employees' opinions gained through the program only had a moderate effect upon management when it is formulating company policy. However, the majority of program directors stated that this goal was not a significant goal for the program when it was initiated.

Directors indicated that company program goals and achievements were closely aligned, a phenomenon which might be called a "self-fulfilling perception." The three most significant goals for the programs, as perceived by the directors, were: 1) to give employees a sense that management is listening and wants their opinions, 2) to point out potential trouble areas that might otherwise be overlooked, and 3) to learn employee concerns. All three goals were achieved in at least two-thirds of the responding companies.

Employee questions arising most frequently in order of occurrence were: company benefits, working conditions and supervisory problems.

Program directors perceive that employees are less supportive of the upward communication programs within their companies than they are. Problems contributing to

this condition are: slow responses to employee questions, lack of publication of sensitive issues, and lack of follow up to see that promised actions by management are fulfilled, say the directors.

The guarantee of employee anonymity to top management is a component in all of the liaison type of upward communication programs, and is an essential feature in the success of these programs.

ACKNOWLEDGEMENT

For Stan

TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENT	iii
LIST OF TABLES	v
ABSTRACT	viii
INTRODUCTION	1
PURPOSE OF STUDY	7
CHAPTER I. REVIEW OF THE LITERATURE	
A. Structure of Organizations	9
B. Communicating Upward Benefits Employees	13
C. Types of Upward Communication Programs	19
D. Previous State of the Art Research	29
E. Summary	30
CHAPTER II. METHODOLOGY	
A. Background on Fortune 300	35
B. Questionnaire #1	37
C. Questionnaire #2	39
D. Questionnaire Design	41
CHAPTER III. RESULTS OF FIRST QUESTIONNAIRE	
A. Discussion	44
B. Analysis of Results	67
CHAPTER IV. RESULTS OF SECOND QUESTIONNAIRE	
A. Discussion	75
B. Analysis of Results	97
CHAPTER V. SUMMARY AND CONCLUSIONS	103
A. Implications	115
B. Suggestions for Further Research	118
BIBLIOGRAPHY	121
APPENDIX A	125
APPENDIX B	127

LIST OF TABLES

Table	Chapter III	Page
1.	NUMBER OF EMPLOYEES WITHIN FORTUNE 300 COMPANIES	45
2.	BREAKDOWN OF FORTUNE 300 COMPANIES BY INDUSTRY AND NUMBER OF EMPLOYEES	45
3.	QUESTIONNAIRE RESPONSE RATE BY INDUSTRY	46
4.	QUESTIONNAIRE RESPONSE RATE BY ORGANIZATIONAL SIZE	47
5.	OPERATORS OF UPWARD COMMUNICATION PROGRAMS BY INDUSTRY	48
6.	BREAKDOWN OF UPWARD COMMUNICATION PROGRAMS BY ORGANIZATIONAL SIZE	49
7.	PERCENTAGE DISTRIBUTION OF FORTUNE 300 COMPANIES, TOTAL RESPONDENTS AND COMPANIES WITH UPWARD COMMUNICATION PROGRAMS	50
8.	COMPANY-WIDE PROGRAMS BY INDUSTRY	51
9.	COMPANY-WIDE PROGRAMS BY ORGANIZATIONAL SIZE	52
10.	YEARS OF OPERATION OF UPWARD COMMUNICATION PROGRAM	53
11.	PROGRAM AGE BY INDUSTRY	53
12.	PROGRAM PERCENTAGES WITHIN INDUSTRIES	54
13.	PROGRAM PERCENTAGES WITHIN YEARS OPERATIONAL	54
14.	BREAKDOWN OF ORGANIZATIONAL SIZE BY AGE OF PROGRAM	55
15.	PROGRAM PERCENTAGES FOR ORGANIZATIONAL SIZE BROKEN DOWN BY YEARS OPERATED	55

Table Page

16. PROGRAM PERCENTAGES FOR YEARS OPERATIONAL BROKEN DOWN BY NUMBER OF EMPLOYEES. 56

17. NUMBER OF ANNUAL INQUIRIES. 56

18. BREAKDOWN OF ANNUAL NUMBER OF INQUIRIES BY INDUSTRY 58

19. BREAKDOWN OF ANNUAL NUMBER OF INQUIRIES BY ORGANIZATIONAL SIZE. 59

20. BREAKDOWN OF ANNUAL NUMBER OF INQUIRIES BY YEARS OF OPERATION OF PROGRAM. 60

21. TYPES OF PROGRAMS BY INDUSTRY 61

22. COMBINATION PROGRAMS. 62

23. TYPES OF COMBINATION PROGRAMS 63

24. TYPES OF UPWARD COMMUNICATION PROGRAMS WITHIN SAMPLE 64

25. TYPE OF PROGRAM BY NUMBER OF EMPLOYEES. 65

26. TYPE OF PROGRAM BY YEARS OPERATED 66

27. TYPE OF PROGRAM BY ANNUAL INQUIRIES 68

CHAPTER IV

1. RESPONSE RATE FOR QUESTIONNAIRE #2 AND COMPARATIVE DISTRIBUTION OF PROGRAMS BY INDUSTRY 76

2. DEMOGRAPHIC COMPARISONS QUESTIONNAIRE #1 - QUESTIONNAIRE #2 77

3. COMPARISON OF TYPES OF PROGRAMS QUESTIONNAIRE #1 - QUESTIONNAIRE #2 78

4. PROGRAM OBJECTIVES - PROGRAM ACHIEVEMENTS AVERAGE DEGREE OF SIGNIFICANCE - AVERAGE DEGREE OF ACHIEVEMENT 41 PROGRAMS 79

5. PROGRAM OBJECTIVES FREQUENCY DEGREE OF SIGNIFICANCE RATINGS. 81

Table		Page
6.	PROGRAM OBJECTIVES FREQUENCY DEGREE OF ACHIEVEMENT RATINGS	82
7.	AVERAGE RATING OF PROGRAM DIRECTOR ATTITUDES. . .	83
8.	PROGRAM DIRECTOR ATTITUDES--FREQUENCY RATINGS . .	84
9.	PERCEPTION OF EMPLOYEES' FEELINGS AVERAGE RATING.	86
10.	PERCEPTION OF EMPLOYEES' FEELINGS FREQUENCY RATINGS	87
11.	CHIEF EXECUTIVE OFFICER SUPPORT PERCEIVED EMPLOYEE ATTITUDE	88
12.	ANNUAL BUDGET AND STAFF SIZE.	90
13.	PROGRAM USE OF EMPLOYEE ANONYMITY	91
14.	MOST COMMON QUESTION AREAS AND FREQUENCY WITH WHICH THEY ARISE	92
15.	METHODS FOR INFORMING EMPLOYEES ABOUT PROGRAM . .	94
16.	METHODS FOR KEEPING TOP MANAGEMENT INFORMED . . .	94
17.	DISTRIBUTION OF COMPANIES BY PERCENT OF QUESTIONS ANSWERED.	95
18.	DISTRIBUTION OF COMPANIES BY PERCENT OF QUESTIONS PUBLISHED	95
19.	REASONS FOR NOT ANSWERING SUBMITTED QUESTIONS . .	96
20.	REASONS FOR NOT PUBLISHING ANSWERS.	96

INTRODUCTION

Traditionally, information in business organizations has flowed vertically from top management and supervisory levels downward. Communication to most corporate managers in the past has meant the downward flow of memos, announcements and numerous house organ articles--in effect, "keeping employees informed about what we are doing." In increasing numbers, corporations are realizing that they need to know what their employees are thinking--that communication in organizations should flow upward as well as downward.[1]

Management, perhaps for the first time, is trying to listen to, and talk with, rather than at, its employees. The reasons for this change of heart are many, and vary from company to company. One of the basic reasons is the growth in size of most business organizations. Gone are the days when the president knew every employee by name. Whereas the customary career pattern was once to come in at the bottom and "grow up" in the company, a great number of employees are now commonly hired at management and staff levels from outside. Company presidents can no longer keep in touch with all or even most of their employees.

This sense of isolation on the part of some top management is worsened by the structure of business organizations. Many studies have stated that the nature of the organizational hierarchy encourages employees to "filter" information to superiors.[2] In other words, employees tend to tell the boss what he or she wants to hear, and, importantly, what they want him or her to know. This practice can result in a manager's ignorance of a problem that needs attention, that in a smaller organization might have been perceived quickly.

An additional factor causing management to listen is the fact that employees are demanding it. Today's work force is made up of increasingly well-educated and aware employees. Nurtured by society's belief in the "right to know," coupled with the success of various consumer groups, employees are more critical of their company's policies in relation to society and to them. Employees want to know more about their company and their relationship with it. New products and future plans are of prime concern, as are, naturally, their opportunities for advancement.

Other new attitudes developing within the work force are perhaps the most critical--and puzzling--of all to corporate management. There is growing evidence of worker dissatisfaction which management must learn to deal with in order to maintain the same level of productivity.

The Gallup Poll job satisfaction index, which had

remained about constant from 1963 to 1969, dropped seven points from 88 to 81 percent in the number of satisfied respondents in 1971.[3] Opinion Research Corporation, studying over 25,000 employees working for 90 companies, found that since 1966, employees have rated their companies lower than they did from 1955 to 1966 in three critical areas: basic working conditions, personnel practices and communications.[4] A 1968 study for the John D. Rockefeller, 3rd, Foundation showed that 56 percent of a national sampling of students would not mind being bossed around on the job; by 1971, this figure had decreased to 36 percent.[5] Furthermore, the Bureau of Labor Statistics reports that, on a nationwide basis, the average daily rate of absenteeism has risen 35 percent since 1961.[6]

Some experts blame these statistics on the fact that younger workers, the group expressing the most dissatissatisfaction, came of age in the 1960s, when civil rights challenged the concept of arbitrary authority. These workers, say researchers, feel that institutions should serve people rather than people serve institutions.[7]

Others say that the reason for these changes in attitude is that employees are challenging the concept of the worker as an interchangeable part of the workplace machinery. That the mechanistic idea of "efficiency" is self-defeating in a society "in which people are not willing to be dehumanized or docile."[8]

Clearly, whether management wants to listen or not, employees are communicating. As a result of these trends in business--growth in size of organizations, tendency of upper management to isolation, increasing demands on the parts of employees to be heard, many companies have decided to take action.

One solution has been to provide a more formalized vehicle by which employees can express their concerns. Most noticeably over the last ten years, a phenomenon known as "upward communication," or "employee feedback" programs has grown up in a number of U.S. corporations.

The format for the programs varies--from monthly meetings of non-management and management employees who discuss working problems face-to-face, to "hotline" programs, where employees telephone their complaints or comments to a staff organized to get answers or explanations from top management. Subjects of employee concern may include such topics as salary inequity, working conditions, company benefits or policies which seem outdated.

Whatever the format, these communication programs share one common characteristic: the opportunity for employees to communicate directly with top management in a fear-free atmosphere, and for management to listen to those concerns, and, importantly, respond to those concerns. Through the programs, management can spot

potential "trouble areas" before they get too large to handle; employees can vent their frustrations, and get much needed information about the company their place within it.

While some managers may fear this type of program in that it might lead to employees demanding a share of the decision-making prerogative, others are learning that this employee desire to know and be a participative member of the organization, if cultivated, can be a positive force--for both management and the individual.

A 1970 study conducted by Bank of America concluded that "for individual well-being, effective performance and profits, employees must see themselves as part of a thriving organization--as people contributing to its growth and influencing its policies--but this won't happen without a communications climate that encourages trust, openness and candor in everyday relationships between management and employees."[9]

Whether for altruism or enlightened self-interest, a new era is dawning within business organizations--an era in which management is listening to what its employees have to say.

FOOTNOTES TO INTRODUCTION

[1]Robert Wendlinger, "Using a Task Force to Improve Employee Communications: B of A's Approach," Management Review 64 (Aug. 1975): 25-30. Also, Bruce Harriman, "Up and Down the Communication Ladder," Harvard Business Review (Sept.-Oct. 1974): 143-51.

[2]A complete survey of the research in organizational distortion is in Paul D. Krivonos, Readings in Managerial Communication (Santa Monica, Goodyear Publishing Co., Inc., in press), tentative publication date: 1979.

[3]Louis E. Davis and Albert B. Cherns and Assoc., The Quality of Working Life (London: The Free Press, 1975), p. 76.

[4]Ibid.

[5]Ibid.

[6]Ibid., p. 68.

[7]Ibid., p. 67.

[8]Ibid.

[9]Wendlinger, op. cit., p. 27.

PURPOSE OF STUDY

The purpose of this study is two-fold. Its first objective is to describe the state of the art in upward communication programs in U.S. corporations. Second, it proposes to examine in detail the strengths and weaknesses, and the general effectiveness of such programs.

Although the initiation of upward communication programs within business organizations seems to be a growing occurrence, there has been little to show if the growth is in particular types or sizes of companies, or whether one type of program is favored over another. In short, there has been no recent comprehensive study on the state of upward communication programs in corporations today. An analysis of this broader amount of information can give a more accurate description of this growth.

Also, although individual companies have conducted employee surveys on the effectiveness of their own programs, there has been no study that gathered and compared different company managers' opinions regarding the effectiveness of the programs they administer--in effect, no pulling together of the combined knowledge of experts on this relatively new phenomenon.

The first part of the study will attempt to find out how many corporations actually have upward communication programs. It will explore such questions as, how long these companies have been using such programs, the volume of employee questions or comments per year, and what type of upward communication programs are now being used.

The second part of the study will investigate in more detail the effectiveness of the different upward communication systems within corporations. It will attempt to find out what types of problems are handled by the respective upward communication programs, employee and management attitudes regarding the programs, and goals for the programs, as well as whether they have been met.

It is hoped that the study, in addition to describing what exists, can point to future trends in upward communication programs--whether it be expansion of existing programs, addition of new programs, or perhaps even the disbanding of existing programs if it is found that the programs are serving no useful purpose.

By knowing how and if various upward communication programs work, whether some are more effective than others, and whether they are serving the function for which they were intended, the study can perhaps help in determining the essential components of an upward communication system that best facilitates candid and productive communication between employees and management within an organization.

CHAPTER I

REVIEW OF THE LITERATURE

A. Structure of Organizations

The need for communication between subordinates and superiors in an open and fear-free environment is widely recognized in past studies.

One reason for this need for communication is the very structure of hierarchical organizations, which by its nature tends to construct barriers to the free exchange of ideas and opinions.

Festinger, in a 1957 study of groups in experimentally created hierarchies, concluded that "structuring of groups automatically introduces restraints against free communication, particularly criticisms and aggressively toned comments by low-status members to high-status members."[1]

These restraints to communication can be dangerous to managers, both by the fact that a manager is perhaps prevented from sharing knowledge with employees that might lead to improvements in their performance, but also by the fact that this lack of communication may cut off the manager from essential information.[2]

One of the major barriers to upward communication is the process of "filtering" of information from subordinates to superiors. According to numerous experts, subordinates tend to select and edit what they reveal to their superiors in order to secure their promotions. Any information that might reflect poorly upon the subordinate is either modified, or not relayed at all.[3]

The practice, obviously, can result in erroneous information being transmitted up the ranks, or none at all, as the case may be.

Read, in a study of 52 superior/subordinate pairs in three companies, found that the accuracy with which subordinates disclosed their difficulties to superiors was negatively related to their desire for upward mobility. Therefore, the greater the desire of the subordinates for mobility, the less likely they were to accurately disclose their difficulties to their superiors.

The amount of inaccuracy in the upward communication, however, was affected by the perceived influence of the superior over their careers and how much they trusted him or her not to hold disclosures against them in considering promotion. The greater the perceived influence over their careers and the lower the trust in the superior, the more inaccurate their upward communication.[4]

Perhaps the most startling revelation of the study was that <u>even when trust prevailed</u>, this condition to

filter information militated against accurate communication of data threatening to the subordinate.[5]

It is likely, therefore, that in organizations where a trusting relationship exists between superior and subordinate, that managers still will be ill-informed or informed not at all of situations that demand their attention. It is for this reason that many companies favor formalized upward communication systems--they can bring unfiltered information directly to management without it being modified through the chain of command.

In discussing the barriers to upward communication in organizations, Planty and Machaver also cite the negative effects of filtering:

> "Movement of information through many levels dilutes or distorts it. Since each supervisor consciously or unconsciously selects and edits the information he passes up, the more levels of supervision, or filter stations, it passes through before it reaches the top, the less accurate it becomes."[6]

In Inside Bureaucracy, Anthony Downs states that with the combination of filtering of information, plus the errors in transmission, particularly at lower levels of authority, a message that must pass through six levels will reach the top at approximately 38 percent of its original meaning intact as the superior would have observed it.[7]

One way of eliminating this distortion of information, he writes, is through "bypassing devices, in which the official can bypass the normal chain of command and commu-

nicate directly with other officials two or more levels away in the hierarchy."[8]

Downs' method for bypassing the chain of command is through a mechanized means of communication that "channels reports directly from the lowest to the highest levels without passing through intermediate filters, and recurrent informal or personal contacts with officials two or more levels below in the structure."[9] This procedure is in fact an integral part of many existing upward communication programs within corporations today.

This process of filtering of information by subordinates is further documented by Roberts and O'Reilly,[10] Blau and Scott,[11] and Argyris.[12]

Argyris found that subordinates often conceal their feelings, opinions and difficulties from superiors because the subordinates are fearful they might be penalized in some way by such disclosures. He suggests that one of the primary reasons for lack of disclosure is that many organizations place a high reward value on rational-technical aspects of behavior and discourage or penalize emotionally-based behavior. When, for example, a subordinate expresses feelings in a discussion, the superior tells him to keep his feelings out of it. The subordinate thus learns not to disclose his feelings to avoid a career penalty of being labeled as too "emotional."[13]

Other evidence of employees' lack of disclosure to

their superiors was found by Vogel, who, in a study of approximately 2,000 employees in eight companies, found that almost a majority of them believed that if a subordinate told his immediate superior everything he felt about the company, he would probably get into a "lot of trouble," and the best way to gain a promotion was not to disagree very much with his superior. Vogel argues persuasively that this lack of communication can be very dangerous to the manager, in that it could cut him or her off from valuable information.[14]

B. Communicating Upward Benefits Employees

Some early and recent studies show that employees perform more effectively and are generally more satisfied when there are open communication channels between management and employee.

The 1961 study of Indik, et al showed that there is a high positive correlation of employee performance with the openness of communication channels between superiors and subordinates.[15]

Furthermore, the study showed a positive correlation of performance with the degree to which "subordinates feel that they, and their superiors, have influence over local organizational operations." The study suggested that such influence is normally desired by people, and thus the possibility of this influence can act as an incentive with

reference to performance.[16]

Not only better performance, but general satisfaction and self esteem seem to result in employees who are allowed to communicate upward. Studies by Kelly in 1951 examined communication in experimentally created hierarchies. In his studies, groups were differentiated into "high status" and "low status" subgroups. The high status groups were those which afforded to the occupant a "pattern of activities, roles privileges, duties and powers, which by comparison with other positions, are generally deemed to be more satisfying and desirable."[17]

One of Kelly's conclusions was that "communication served as a substitute for real upward mobility in cases of low status persons who have little or no possibility of real locomotion, but who exhibited some desire to move upward."[18]

The study seems to indicate that even though an employee may realize he or she will never be a member of upper management, it is highly important for an employee's sense of well-being to be able to communicate with his or her superiors.

Cohen in 1958 took this idea a step further, concluding that low status persons in experimentally created hierarchies use upward communication in order to protect and enhance their relationships with the higher ranking persons who exercise control. He pointed out, however,

that those with low rank, for whom upward mobility is impossible, have less need to communicate "in such a friendly, promotive and task-oriented fashion."[19]

The study seems to suggest that not only do people find upward communication a substitute for upward mobility, but that those who see themselves as upwardly mobile tend to use upward communications to aid that end. The reverse would seem to hold true that the absence of upward communication could result in employee frustration, because of the feeling that the employee could do nothing to enhance his or her position.

Other literature corroborates the evidence of greater employee job satisfaction when openness exists between management and employees.

One conclusion of Planty and Machaver's study was that:

> "Upward communication helps satisfy basic human needs. All subordinates look upon themselves as having inherent worth at least as great as the personal worth of their superiors. This is true even if they feel their own inferiority in managerial ability or some other skill...This sense of personal worth is always injured when people do not get a chance to express their ideas--when they are merely told, without opportunity to comment or reply. This principle applies even if the telling is well done."[20]

The same study also indicates that there is great value in having employees "let off steam"--one by-product of upward communication: "Employees who are encouraged to talk directly and frankly with their superiors get a

release of emotional tensions and pressures which otherwise may find outlet in criticism to other members of the company and the community, or loss of interest or efficiency.[21]

The "letting off steam" of employees is one advantage of upward communication; however, a more important employee need served by this process is the need to actually be heard and taken seriously.

In Vogel's study of the employees of eight companies, he found that about 90 percent of them said that it is "very" or "fairly" important to them to be able to discuss their ideas about work problems with higher management (people above their immediate boss).[22]

He indicated that job occupation or sex makes little difference. The desire seems to be as strong in production workers as engineers, as strong in men as it is for women. The differences, however, are in the character of the desire, he states. "Engineers have high interest in helping to make important work decisions. Hourly employees see communications with management mainly as a way of facilitating the work: they want to tell management about obstacles to performance, which, in their view, management should do something to remove."[23]

Some companies that have initiated upward communication programs have conducted employee surveys regarding the programs' effectiveness. Of companies publishing the

results, nearly all have shown that their employees have better morale, or at least a feeling that the program has improved conditions in general.

A recent survey of Bank of America employees regarding its upward communication program indicated that employees had favorable opinions about the program and better feelings about themselves in relation to their jobs. The survey in part showed that employees were 31 percent more positive about the bank's ability to provide information about all units, eight percent felt better about their ability to communicate their ideas to higher-level management, and 11 percent thought morale had been enhanced. Furthermore, 16 percent felt more positive about getting information about possible future bank actions and policies.[24]

New England Telephone, which utilizes a question and answer program whereby a program director gets the answer to an employee's question from top management and relays it to the employee, recently surveyed its employees on their reaction to the program. Seventy-nine percent of the participating employees said they were satisfied with the response to their questions, and 93 percent said they would use the program again.[25]

"The numbers, however, are unimportant compared with the number of major policy reviews and changes undertaken, personnel problems solved, and levels of awareness

increased," said Bruce Harriman, vice president and general manager of the Massachusetts area of New England Telephone. "Even more revealing is that practically all communications have been serious, thoughtful, and concerned with the welfare of the total company." He adds that the program has contributed to changes in policies and practices such as physical working conditions, employee benefits, career planning programs, training programs and specific work practices.[26]

General Telephone Company of California, which initiated a program that allows employees the opportunity to discuss their problems with a management employee three levels up in the organization without intervening levels of supervisors present, also surveyed its employees on the program's effectiveness. The 1976 survey, taken soon after the first of these sessions, showed that a majority of employees felt they understood company plans better and that they believed the sessions would "change things."[27]

At Pitney-Bowes, a Connecticut-based manufacturer of mailing machines and equipment, employees and managers meet in monthly councils to discuss both individual and company-wide problems.

Although the effects of the council meetings, which started more than 36 years ago, are difficult to measure, President and Chairman Fred Allen states that certain indices show that the company's communication program has

boosted production, and substantially reduced employee absenteeism and turnovers to some of the industry's lowest. Furthermore, Allen argues that honest two-way communication between management and employees is more than an employee need, but an employee right.

"When an individual or institution invests in our stock, he deserves a regular and complete accounting; the employee who invests his working life in our company deserves no less and conceivably more."[28]

These corporate studies point out not only the need for employees to voice their opinions, but also the fact that benefits accrue to the company that fosters an atmosphere of open communication between employees and management. The benefits, generally, are employee satisfaction and support of company policy, as well as better performance on the job.

C. Types of Upward Communication Programs

The literature so far has only discussed the need in business organizations for upward communication on both management's and employees' parts. It has discussed management's need for unfiltered information from employees, and also the need for employees to communicate in a fear-free environment, in order to achieve their full potential in their work.

This section will briefly discuss some of the various

types of upward communication programs found in companies today. The criteria for discussing certain companies' programs and not others is based upon program uniqueness, as well as availability of information.

Generally speaking, there are two broad categories of upward communication programs operating in companies today: 1) programs which use a liaison to get top management answers to employee questions, and 2) programs which rely on direct face-to-face communication between employees and management. There are several variations to each of these two categories, depending upon the size, structure and needs of the organization. Many companies use both kinds of programs to supplement each other, and in fact, it is not unusual for a company to have three or four upward communication channels available to its employees.

IBM's program, which was initiated company-wide in 1962, is generally considered to be one of the oldest of the liaison type of upward communication program. Entitled Speak Up!, the program enables employees to voice their questions, comments or complaints anonymously. An employee's letter is delivered to a Speak Up! coordinator, who directs its contents to the proper management executive for reply. The writer's identity is known only to the coordinator, who then mails the executive's response to the employee's home.

In some instances, an employee may choose to forego

the anonymity and request a personal interview with management for a direct response to his or her inquiry.

In addition to Speak Up!, there are several other channels established within IBM to make sure that information flows up as well as down the organizational hierarchy. Employees also have access to the Open Door program, whereby they can take their problems to their manager's boss. The employee is protected by involving only the necessary individuals, and by not having the action recorded in his or her personnel file.[29]

Several companies have modeled communication programs after IBM's Speak Up! program, including Occidental Life Insurance in Los Angeles. At Occidental, approximately 4,000 employees are encouraged to use RAP-UP--a letter-writing effort that protects the identity of the employee while getting answers from top management. There is one important difference, however, in Occidental's program. Instead of having the program director merely forward the response from the executive to the employee, the RAP-UP administrator writes the reply after researching and discussing the question with management.[30]

It is felt that a "communications expert" rather than an operational executive, should explain the information as clearly as possible, with language free from "management jargon." This method also insures against sidestepping certain parts of the question by management.

According to Advertising and Corporate Communications director Robert W. Graf, this type of program is more effective than a face-to-face meeting between management and employees, because the anonymous letter encourages employees to be more honest and less fearful than if they were to sit in the same room with a member of senior management and express the same thoughts.

Graf also stressed the importance of total commitment to the program by top management. "If you are contemplating a real program instead of window dressing, and you don't have the absolute enthusiastic support of your chief executive officer, forget it."[31]

Occidental also uses a communications technique found in several other companies--the informal luncheon meeting, at which middle managers meet with the president or his assistant to discuss company matters or items of personal concern.

Other companies that have similar programs to IBM's Speak Up! program are: Prudential Life Insurance, whose Write On! program was founded in 1971; CIBA-Geigy Corporation, Open Up, 1975; B.F. Goodrich, Information, Please, 1973; Dow Chemical, Speak Out, 1972; Motorola, Speak Out, 1973; Xerox Corporation, Comment, 1965; Bank of America, Open Line, 1972; General Telephone of California, QT, 1976, New England Telephone, Private Line, 1971; General Telephone of Michigan, Rap-UP, 1974; and Public Service Electric and

Gas Company, MS. Peggy, 1975.[32]

Of these companies, a few have noteworthy upward communication channels that are used in addition to the liaison type programs. Bank of America, for example, has its Open Line program, in which employee problems are handled anonymously through a program director. Employees receive personal answers to their questions in letter form, some of which are printed in the company publication, Bank American.

In addition, the company has a program called Open Meetings. The meetings are held at the request of a department head by a meeting facilitator. Under a mantle of confidentiality, groups of peers chosen randomly throughout the department are invited to discuss what they like or do not like about their work. The facilitator codes comments according to intensity and consensus and arranges them by subject matter. The comments are incorporated into a detailed report that goes only to the department head, who is responsible for discussing the findings with the entire staff and taking necessary follow-up action.[33]

These programs were a result of a study conducted in 1970 when Bank of America found itself in serious need of an improved and centralized communications system. Its new bank president, A.W. Clausen, set up a 16-member task force of managers reporting directly to him, and charged

them with developing a new communications program. The task force's primary recommendation was consolidation of all major employee communications functions into one department whose director would report directly to Clauson.[34]

Another important observation of the study was that employees needed to see themselves as participating members of the company, whose opinions and ideas would be listened to, and this was only possible with "a communications climate that encourages trust, openness and candor in everyday relationships between management and employees."[35]

New England Telephone, after two employee surveys showed that employees had a strong desire to play a larger role in decisions affecting their jobs and the company,[36] developed Private Line in 1971. The program is a question and answer system employing both mailed responses through a program coordinator and special telephone "hot lines." In addition, when the writer requests it, face-to-face meetings with a member of management away from the work location can be arranged.

New England Telephone also utilizes Task Teams, which are composed of non-management employees from a specified work area, whose purpose is to recommend solutions to problems previously identified through employee surveys. The team elects its officers, makes its assignments and meets with the program director for two hours a week on

company time. It must make its recommendation within eight weeks. Recommendations are posted on bulletin boards and management must post its response to each recommendation within 30 days.[37]

An example of the range and effectiveness of the task teams is the activities of the Northampton, Mass. team. The team studied and made workable recommendations on the following: comptometer training for clerks, interdepartment tours for employees, employee-management relations in the engineering group, and several others.[38]

General Telephone Company of California, which uses QT, a confidential question and answer channel using special postage paid mail forms or a toll-free number, also utilizes a program called Rap-Around. The program allows employees the opportunity to periodically discuss their problems with a management employee three levels up in the lines of the organization without intervening levels of supervisors present. The groups discuss operating conditions, problems and plans. Meetings are held at least twice annually, and discussion groups are not more than 20 persons.

The discussion leaders in the program are members of management who are not first or second level supervisors, or in non-supervisory staff positions. Training is available in the company's personnel department for those who may feel uncomfortable in conducting Rap-Around sessions.

Each discussion leader is required to write a "Meeting Reaction Report" identifying the major items of concern expressed by those attending, and employees voluntarily evaluate each session by filling out postcard opinion surveys.[39]

Other companies, although they may have more than one upward communication program, rely primarily on the face-to-face method of airing problems. At Pitney-Bowes, dialogue is established through the Personnel Council. These monthly forums are held on the sectional, departmental, divisional and corporate levels, and if a question can't be answered or a problem solved at a lower level, it is taken to the next level. In addition, annual "Job Holders' Meetings" similar in concept to stockholders' meetings, are held at the company, where management representatives report on the company's financial health, employee wages, benefits, profit sharing and new facilities, followed by a question and answer period. President and Chairman Fred Allen and a management panel field the questions from the employees, who are free to ask whatever questions they wish.

Questions in such meetings range from why the "crummy clock" isn't fixed to complaints of assembly workers not being able to meet the newly doubled rates--the number of units expected to be produced in an hour. Some questions are answered "on the spot" and others, particularly if

management is unaware of the problem or needs more information, are looked into later after the meeting.[40]

At Connecticut Mutual Life Insurance in Hartford, employees are invited to breakfast meetings of senior management to fire questions at CML's top executives. The breakfasts last about two hours, and are attended by approximately 40 employees. Usually two members of senior management join each table of ten people. President Edward Bates or another top executive normally gives a short address, and then each participating employee briefly describes himself and background. After that, senior managers answer questions.[41]

In addition, the company solicits new ideas from CML employees with a program entitled the Home Office Advisory Council (HOAC). The committee is made up of 12 volunteers representing a broad range of functions and levels in the company.

Employees submit proposals either in writing or verbally to the committee. If HOAC accepts a proposal as being worth investigating, individual members or small task forces study it with the people in the department involved, and then make a proposal and submit it to the department for action. The committee has the authority to take the proposal to senior management for arbitration if the department rules against the recommendation. Usually, however, the proposals that receive HOAC backing do not

encounter opposition, according to David Zelie, HOAC's chairman.[42]

The advisory board type of program seems to work very well in many companies. At General American Life Insurance, St. Louis, all employees are eligible to participate in the monthly drawing for board membership except those with less than 12 months employment service and those who have participated on a board during the previous year. Each panel member brings one or two written but unsigned questions, which are collected prior to the start of the question-and-answer session. The meeting discussions are summarized and distributed to all division officers. Items of general interest are reported in the company's newspaper.

"The questions give company officers a reading of what's on the minds of our people. We believe the advisory panel format provides a good opportunity to clear up misunderstandings and to explain company philosophy," said John Hundley, second vice president, personnel administration.[43]

The company also requires each department manager (second level supervisor) to conduct at least two RAPP (Reach All People Promptly) sessions per year. Managers are instructed to listen to employee complaints and send summaries of their meetings up the chain of command.

One of the main reasons for the sessions, according to

Hundley, is to gain feedback on potential problem areas before they are blown out of proportion.[44]

D. Previous State of the Art Research

The state of the art in upward communication, or "employee feedback" programs has only been studied on a small scale.

A 1975 study was conducted by the Public Service Electric and Gas Company, which utilizes a liaison type employee-management communication program entitled MS. Peggy. The study surveyed 175 members of a professional industrial communication organization regarding those companies' "employee feedback" programs. The purpose of the study was to determine methods used in operating other similar programs, and the relative success of the company's own MS. Peggy concept when compared with the procedures of other companies.

Of the 175 companies surveyed, only 15 relevant responses were received, and therefore it was not possible to draw any positive conclusions.[45]

"Probably the most significant finding was the fact that companies stress confidentiality as well as accurate and fast replies to all questions," the study states.

The survey also indicated that the greater number of employees, the lower the employee participation rate in the communication program. It also indicated that the

participation rate of employees tends to drop as the program ages. The most popular topics that employees asked about were, in order: wages, work conditions, and benefits. Other topics included: vacations, supervisory problems, safety and personnel. The average number of people needed to operate the various "feedback" program was one full-time employee and one part-time employee.[46]

The fact that the response was so small from a group of companies that were obviously interested in communication, as evidenced by their membership in a professional communication organization, is indicative that even three years ago, the state of the art in employee-management communication was much less advanced.

E. Summary

The literature shows the need for formalized upward communication programs within business organizations, since the nature of those organizations encourages subordinates to "filter" what they reveal to their superiors, a condition that could result in erroneous information being transmitted to managers. Also, it has been shown that subordinates have a need to communicate upward and make their opinions known to those higher in authority. Studies furthermore indicate that employees perform more effectively and generally are more satisfied when there are open communication channels between management and employees.

Generally, there are two basic types of upward communication programs operating in companies today: 1) programs which use a liaison to get top management answers to employee questions, and 2) programs which rely on direct face-to-face communication between employees and managers.

The liaison type program often takes the form of a letter-writing effort, in which a program administrator takes the employee concern to management and then directs the answer back to the employee. The face-to-face meeting programs often involve employee committees, which act as task forces to investigate and give recommendations regarding company problems, or simply are question and answer sessions, in which employees fire questions to top management on a variety of subjects.

A previous study on upward communication programs within industrial corporations indicates that employee confidentiality is extremely important, as well as are fast and accurate replies to employee questions. The survey found that the greater the number of employees, the lower the employee participation rate in the communication program. It also indicated that the participation rate tends to drop as the program ages. The fact that the response was small--only 15 companies out of 175 indicated they had upward communication programs--points up dramatically how few business organizations had formalized employee-management communication programs even three years ago.

FOOTNOTES FOR CHAPTER I

[1]Leon Festinger, "Informal Social Communication," Psychological Review 57 (1950): 217-82.

[2]Gary Gemmill, "Managing Upward Communications," Personnel Journal 49 (February, 1970): 107.

[3]Anthony Downs, Inside Bureaucracy: A Rand Corporation Research Study (Boston: Little, Brown and Co., 1967): 112-31. Also, William H. Read, "Upward Communication in Industrial Hierarchies," Human Relations 15 (1962): 3-15. A complete survey of the literature on organizational distortion is in Paul D. Krivonos, Readings in Managerial Communication (Los Angeles, Goodyear Publishing, in press), tentative publication date: 1979.

[4]Read, op. cit., pp. 3-15.

[5]Ibid.

[6]Earl Planty and William Machaver, "Upward Communications: A Project in Executive Development Using the Syndicate Method," Personnel 28 (Jan. 1952): 307.

[7]Anthony Downs, Inside Bureaucracy: A Rand Corporation Research Study (Boston: Little, Brown and Co., 1967): 118.

[8]Ibid., pp. 124-25.

[9]Ibid.

[10]Karlene H. Roberts and Charles A. O'Reilly, III, "Failures in Upward Communication in Organizations: Three Possible Culprits," Academy of Management Journal 17 (June, 1974): 205-15.

[11]P.M. Blau and W.R. Scott, Formal Organizations (San Francisco: Chandler, 1962): 128-34.

[12]Chris Argyris, "Interpersonal Barriers to Decision Making," Harvard Business Review, 44 (May-April, 1966): 84-97.

[13]Ibid.

[14]Alfred Vogel, "Why Don't Employees Speak Up?" Personnel Administration 30 (May-June, 1967): 20.

[15]Bernard P. Indik, Basil S. Georgiopolos, and Stanley E. Seashore, "Superior-Subordinate Relationships and Performance," Personnel Psychology 14 (1961): 357-74.

[16]Ibid., pp. 359-60.

[17]Harold H. Kelly, "Communication in Experimentally Created Hierarchies," Human Relations 14 (1961): 39-56.

[18]Ibid.

[19]Arthur R. Cohen, "Upward Communication in Experimentally Created Hierarchies," Human Relations 11 (1958): 41-53.

[20]Earl Planty and William Machaver, op. cit., pp. 306.

[21]Ibid., p. 307.

[22]Alfred Vogel, op. cit., pp. 19-20.

[23]Ibid., p. 20.

[24]"Is Anybody Listening?" Pacific Business, Jan.-Feb., 1977,: p. 14.

[25]Bruce Harriman, "Up and Down the Communications Ladder," Harvard Business Review 52 (Sept.-Oct., 1974): 148.

[26]Ibid., p. 148.

[27]General Telephone Company of California, RAP-Around Guidelines (Santa Monica: General Telephone Company of California, May, 1976): Appendix.

[28]"Is Anybody Listening?" op. cit., p. 4.

[29]Ibid., p. 5.

[30]All information regarding Occidental Life Insurance's program was gained through personal experience within the Advertising and Corporate Communications Division of that company.

[31]Robert W. Graf, personal interview, Occidental Life Insurance of California, Los Angeles, May, 1977.

[32]Public Service Electric and Gas Co., Employee Feedback Survey (Newark, Public Service Electric and Gas Co., 1976) pp. 1-8.

[33]Robert Wendlinger, "Using a Task Force to Improve Employee Communications: B of A's Approach," Management Review 64 (Aug., 1957): 29.

[34]"Is Anybody Listening?" op. cit., p. 14.

[35]Robert Wendlinger, op. cit., p. 27.

[36]Bruce Harriman, op. cit., p. 143.

[37]Ibid., pp. 147-48.

[38]Ibid., p. 148.

[39]General Telephone Company of California, op. cit., pp. 1-4.

[40]"Two-Way Communication Sets Employee Relations Climate," Industry Week 180 (Jan. 21, 1974): 39-42.

[41]David Oates, "Connecticut Mutual Drafts a New Communications Policy," International Management 30 (Sept. 1975): 22-26.

[42]Ibid., p. 26.

[43]John Hundley, III, "Listening Posts," Personnel 53 (July-Aug., 1976): 40.

[44]Ibid., p. 58.

[45]Industrial Communication Council, Inc., IC Newsletter (New York: Industrial Communication Council, July, 1976) pp. 3-5.

[46]Ibid., p. 4, 5.

CHAPTER II

METHODOLOGY

For the purposes of this study, "upward communication program" shall be defined as: a system instituted by top management in order for top management to hear the concerns of employees.

"Communication" within such a program shall be defined as: messages sent through this established channel, both from the employee to top management, and from top management to the employee.

In order to get the required information, it was necessary to send out two questionnaires--first to determine which companies had upward communication systems, and the second to poll managers on the specifics of their programs. Upward Communication Questionnaire #1 was mailed to each of the 1977 Fortune 300 Largest Non-Industrial Companies in the United States. The second questionnaire was mailed to relevant respondents within that sample.

A. Background on Fortune 300

The Fortune 300 top non-industrial companies in the

United States is an annual listing compiled by Fortune magazine. The 300 companies are composed of 50 each from six lines of business: commercial banking, life insurance, diversified financial, retailing, transportation and utilities. The number one companies in each respective line of business are: Bank of America, Prudential Life Insurance, Aetna Life and Casualty, Sears, Roebuck, TWA, and A T and T, with combined total assets of more than $240 billion.

These companies employ over six and a half million people. The smallest company in the 300, in terms of the number of employees, employs only 446 individuals, while the largest has a payroll of 927,200 employees.

Seventy-four percent of all the companies in the Fortune 300 employ less than 20,000 employees. A total of 92 percent of the companies employ less than 50,000 people.[1]

Because the 300 companies are the top firms within these six principal lines of business, an analysis of their responses could be considered an accurate representation of what is currently happening in business with relation to upward communication programs.

The 300 non-industrial company listing was used as opposed to the better-known Fortune 500 Top Industrial Companies because it was considered that industrial companies were more likely to use unions to settle management-employee differences. An upward communication program

is initiated by management within the company to take care of its own communication needs. Grievances are not settled by an outside third party, but by communication between the employee and management within the company.

An additional reason for choosing the non-industrial sample is that a study had already been attempted upon industrial organizations,[2] and though the sample was small, the response rate was so small that it was difficult to analyze the results. In spite of the fact that the study was conducted two years ago, the small response rate still supports the author's contention that formalized upward communication programs are more commonly found in non-industrial than industrial companies.

B. Questionnaire #1

The first questionnaire, mailed in November, 1977, was only one page in length. It asked for very general information, such as the size of the company, whether it had an upward communication program, whether it was company-wide, how long it had been in operation, how many inquiries were handled per year, and what types of upward communication program or programs were used within the company (see Appendix A).

Respondents were asked to check one or more of five program types that most clearly represented their own. The general explanations of program types were derived through

previous research in which several program directors of known upward communication programs were asked to send information about their programs and how they operated.

Based on a reading of this literature, four general categories were devised, with a fifth category, marked "other," so that respondents could explain their program if it did not fit into the confines of the described programs.

The five general upward communication program formats were described as follows on the questionnaire: 1) Employees direct concerns to top management without using an intermediary, 2) Employees direct concerns to designated program administrator who presents them to top management, 3) Employees direct concerns to fellow employee who presents them to top management, 4) Employees direct concerns to employee representative not in employ of company, i.e., an outside consultant, who presents them to top management, and 5) Other (please explain).

Those surveyed in Questionnaire #1 were encouraged to return the questionnaire, even though they might not have a program in their company. In addition to giving more accurate results for the survey, these responses from companies with no program were thought by the author to give an idea of the degree of interest in such programs by business in general.

This questionnaire, since it was not known if the company even had an upward communication program, was

addressed to the director of personnel, who was asked to forward it to the appropriate person. A space on the survey asked for the name of the upward communication program director, or person to whom future correspondence should be directed.

C. Questionnaire #2

The respondents to the first questionnaire were mailed a second, more detailed questionnaire in March, 1978, which asked more specific questions about the operation and effectiveness of their respective programs (see Appendix A).

The questionnaires were directed to the upward communication program directors, and in order to encourage the most honest responses about the strengths and weaknesses of the programs, these directors' anonymity was guaranteed. Neither their names, or their companies' names would be revealed in the survey results.

The program directors were selected as the persons who should answer the second questionnaire because their knowledge of the day-to-day workings of the program and its problems would normally be greater than someone several levels up. The anonymity afforded on this questionnaire, which asked more sensitive questions about both management and employee opinions of the program, was intended to encourage the program directors to be completely honest. It was hoped that the tendency for program directors to

respond that the program had no problems and was highly successful would be lessened because of the fact the company would not be mentioned.

The six-page questionnaire included various possible program objectives and asked the administrators to rate them as to degree of significance and degree achieved. One possible objective, for example, was: "to give employees a sense that management is listening and wants their opinions." Respondents were asked whether this was a significant objective, and whether this objective had been achieved.

The questionnaire also listed several statements which indicated both strengths and weaknesses of upward communication programs. The purpose of these questions was to determine program directors' attitudes about the effectiveness of the communication program in his/her company. Sample questions were: "Program points out potential trouble areas which might be otherwise overlooked." Respondents were asked to agree to disagree with those statements.

Program directors' perceptions of employee attitude toward the program were also asked for. They were asked to agree or disagree with such statements as, "Employees feel changes in policy come about as a result of their complaints."

The questionnaire asked for some demographic informa-

tion which was repeated on the first questionnaire--respondents were told that since the second questionnaire was anonymous, it was necessary to repeat some of the demographic questions as size of company.

Respondents were asked to briefly explain the steps of their program from the time an employee asks a question to the time it is answered, to rank the question areas that arise most frequently from employees, such as working conditions, salary, etc., whether the program retains the anonymity of the employee asking a question, the approximate budget of the program, and whether questions and answers are published in the house organ.

Respondents were also asked how their particular program could ultimately be of more value than it already was.

Open-ended answers were encouraged whenever respondents had information in addition to the particular question asked, and were told that results would be shared with them whenever they were compiled. (Since respondents to the second questionnaire were anonymous, it was stressed that survey results would be mailed to each of the Fortune 300 companies.)

D. Questionnaire Design

Both questionnaires were written so that coding for computer analysis would be as easy as possible. It was

known that the second questionnaire, with its more qualitative questions, would result in more open-ended answers, and thus would be more difficult to analyze.

In most cases, however, cross tabulations were used to compare two or more variables.

FOOTNOTES FOR CHAPTER II

[1]"Fortune 300 Listing of Largest Non-Industrial Companies," Fortune, July, 1977, pp. 160-74.

[2]Public Service Electric and Gas Co., Employee Feedback Survey (Newark, Public Service Electric and Gas Co., 1976) pp. 1-8.

CHAPTER III

RESULTS OF FIRST QUESTIONNAIRE

A. Discussion

The first mailing of 300 questionnaires in November, 1977 produced 130 responses, an overall response rate of 43 percent. The respondents, who were program directors if the company had an upward communication program, and personnel directors if the company did not, were generally quite enthusiastic.

The author received several telephone calls from people in the survey sample who wanted to know if the results had been analyzed yet, and also three calls from companies outside the Fortune 300 listing who asked if they might take part in the survey.

Table 1 (p. 45) shows the total number of employees by industry and the range of employment within each industry of the Fortune 300. The companies range in size from 446 to 927,200 employees.

Table 2 (p. 45) shows the companies within the Fortune 300 by number of employees and by industry. Seventy-four percent of all the companies in the 300 listing employ less

TABLE 1

NUMBER OF EMPLOYEES WITHIN
FORTUNE 300 COMPANIES

Industry	Total	Largest Employer	Smallest Employer
Commercial Banking	465,310	66,877	2,955
Life Insurance	422,439	61,673	1,075
Diversified Financial	432,076	37,500	446
Retailing	2,744,513	394,600	5,000
Transportation	961,482	86,200	785
Utilities	1,573,769	927,200	1,845
TOTAL:	6,598,589		

TABLE 2

BREAKDOWN OF FORTUNE 300 COMPANIES BY
INDUSTRY AND NUMBER OF EMPLOYEES

Industry	Less Than 5,000	5,001-20,000	20,001-50,000	50,001-100,000	More Than 100,001	Total
Commercial Banking	27	19	3	1	0	50
Life Insurance	28	16	3	2	0	49[1]
Diversified Financial	25	16	9	0	0	50
Retailing	1	14	19	10	6	50
Transportation	13	20	14	3	0	50
Utilities	8	35	5	0	2	50
TOTAL:	102	120	53	16	8	299
PERCENTAGE:	34%	40%	18%	5%	3%	100%

[1]One company did not report number of employees.

SOURCE: "Fortune 300 Listing of Largest Non-Industrial Companies," Fortune, July 1977, pp. 160-74.

than 20,000 people. A total of 92 percent of the companies employ less than 50,000 people.

Table 3 (below) lists the number of respondents by industry, the response rate within each industry, and the percentage of total respondents by industry.

TABLE 3

QUESTIONNAIRE RESPONSE RATE
BY INDUSTRY

Industry	Questionnaires Mailed	Respondents	Response Rate	% of Total Respondents
Commercial Banking	50	30	60%	23%
Life Insurance	50	43	86%	33%
Diversified Financial	50	12	24%	9%
Retailing	50	12	24%	9%
Transportation	50	14	28%	11%
Utilities	50	19	38%	15%
TOTAL:	300	130	43%	100%

The highest response rates were in the commercial banking (60 percent) and life insurance (86 percent) industries. As a result, these two industries comprise more than 50 percent of the total respondents to the questionnaire.

Table 4 (p. 47) lists the respondents by organizational size. More than 50 percent of the Fortune 300 companies with fewer than 20,001 employees responded to the questionnaire. Due to this response rate from

companies of less than 20,001 employees, these particular respondents represented 88 percent of the total responses to the first questionnaire.

TABLE 4

QUESTIONNAIRE RESPONSE RATE
BY ORGANIZATIONAL SIZE

Organizational Size by Number of Employees	Question-naires Mailed	Respon-dents	Response Rate	% of Total Respon-dents
Less than 5,000	102	50	49%	39%
5,001 to 20,000	120	64	53%	49%
20,001 to 50,000	53	10	19%	8%
50,001 to 100,000	16	3	19%	2%
More than 100,001	8	3	38%	2%
TOTAL:	299	130	43%	100%

Table 5 (p. 48) lists the number of companies by industry who operate an upward communication program. The percentage of respondents within each industry who operate programs is also given, as is the industry percentage of all operational upward communication programs.

Of the 130 respondents, 62, or 48 percent, indicated that they maintain some type of upward communication program.

Fifty percent or more of the total respondents within three industries: commercial banking, life insurance, and diversified financial, reported that they operated an

upward communication program. Because of the high response rate in the commercial banking and life insurance industries, over 60 percent of the reported programs are in these two industries.

TABLE 5

OPERATORS OF UPWARD COMMUNICATION PROGRAMS BY INDUSTRY

Industry	Operational Programs	No Programs	% Operational	% of Total Program Operators
Commercial Banking	16	14	53%	26%
Life Insurance	23	20	53%	37%
Diversified Financial	6	6	50%	10%
Retailing	4	8	33%	6%
Transportation	5	9	36%	8%
Utilities	8	11	42%	13%
TOTAL:	62	68	48%	100%

The number of companies operating programs are categorized by the number of employees within each company in Table 6 (p. 49).

Of the reported upward communication programs, 85 percent were reported in companies with less than 20,001 employees. Within the 114 responding companies of less than 20,001 employees, 46.5 percent, or nearly half, indicated they operated an upward communication program.

TABLE 6

BREAKDOWN OF UPWARD COMMUNICATION PROGRAMS
BY ORGANIZATIONAL SIZE

Organizational Size by Number of Employees	Operate Programs	No Programs	% Operational	% of Total Program Operators
Less than 5,000	23	27	46%	37%
5,001 to 20,000	30	34	47%	48%
20,001 to 50,000	5	5	50%	8%
50,001 to 100,000	3	0	100%	5%
More than 100,001	1	2	33%	2%
TOTAL:	62	68	48%	100%

Table 7 (p. 50) shows the percentage distribution by organizational size, as defined by number of employees, of 1) the Fortune 300, 2) all respondents to Questionnaire #1, and 3) the companies who indicated they operated an upward communication program.

The table demonstrates the higher percentage of smaller companies, i.e.: under 20,001 employees, that responded to the questionnaire, compared to their representation in the Fortune 300 index. The percentage of companies who reported an upward communication program is also higher for companies with less than 20,001 employees.

TABLE 7

PERCENTAGE DISTRIBUTION OF FORTUNE 300 COMPANIES, TOTAL RESPONDENTS AND COMPANIES WITH UPWARD COMMUNICATION PROGRAMS

Organizational Size by Number of Employees	Fortune 300	% Distribution	Total Respondents	% Distribution	Upward Communication Programs	% Distribution
Less than 5,000	102	34%	50	39%	23	37%
5,001 to 20,000	120	40%	64	49%	30	48%
20,001 to 50,000	53	18%	10	8%	5	8%
50,001 to 100,000	16	5%	3	2%	3	5%
More than 100,001	8	3%	3	2%	1	2%
TOTAL:	299	100%	130	100%	62	100%

Table 8 (below) shows the number of programs operated on a company-wide or partial basis by industry.

Of the respondents who reported they operated an upward communication program, 69 percent reported that the program was operated on a company-wide basis. All industries reported that a minimum of half of their total programs were on a company-wide basis.

TABLE 8

COMPANY-WIDE PROGRAMS
BY INDUSTRY

Industry	Programs Company-wide	Programs Not Company-wide	% Company-wide
Commercial Banking	13	3	81%
Life Insurance	14	9	61%
Diversified Financial	4	2	67%
Retailing	2	2	50%
Transportation	3	2	60%
Utilities	7	1	88%
TOTAL:	43	19	69%

Table 9 (p. 52) presents the same data, but by organizational size, as compared to industry in Table 8. Of the programs operated on a company-wide basis, 90 percent are in companies with less than 20,001 employees. Additionally, 90 percent of the programs reported in companies under 20,001 are operated on a company-wide basis.

TABLE 9

COMPANY-WIDE PROGRAMS BY ORGANIZATIONAL SIZE

Organizational Size by Number of Employees	Programs Company-wide	Programs Not Company-wide	% Company-wide
Less than 5,000	15	8	65%
5,001 to 20,000	24	6	80%
20,001 to 50,000	2	3	40%
50,001 to 100,000	1	2	33%
More than 100,001	1	0	100%
TOTAL:	43	19	68%

Each respondent who indicated that his or her company operated a program was asked to state how long the program has been in operation. Table 10 (p. 53) presents a breakdown of the existing programs by number of years the program has been operating.

The mean number of years operational for all programs is 4.59 years. The median program life is three years. Over half of the programs are less than four years old, while 25 percent are less than two years old.

Table 11 (p. 53) shows a breakdown of program age by industry. The data indicate that most life insurance programs are less than four years old. Commercial banking programs primarily range in age from two to ten years. The programs in the other four industries are distributed throughout various program age categories.

TABLE 10

YEARS OF OPERATION OF UPWARD COMMUNICATION PROGRAM

Years of Operation	Programs	%
0 - 1	15	25%
2 - 3	20	34%
4 - 6	15	25%
7 - 10	7	12%
over 10	2	4%
TOTAL:	59[1]	100%

Mean number of years operational: 4.59 years

Median number of years operational: 3 years

Range: 0 - 38 years

[1]Three companies with programs did not respond.

TABLE 11

PROGRAM AGE BY INDUSTRY

Industry	0-1	2-3	4-6	7-10	Over 10	Total	%
Commercial Banking	1	4	6	4	0	15	25%
Life Insurance	6	12	3	0	0	21	36%
Diversified Financial	2	1	2	1	0	6	10%
Retailing	2	0	0	1	1	4	7%
Transportation	3	1	1	0	0	5	8%
Utilities	1	2	3	1	1	8	14%
TOTAL:	15	20	15	7	2	59	100%

The same data are presented in percentage form within industry in Table 12 (below) and within the various program age categories in Table 13 (below).

TABLE 12

PROGRAM PERCENTAGES WITHIN INDUSTRIES

	Years Operational					
Industry	0-1	2-3	4-6	7-10	Over 10	Total
Commercial Banking	6	27	40	27	0	100%
Life Insurance	29	57	14	0	0	100%
Diversified Financial	33	17	33	17	0	100%
Retailing	50	0	0	25	25	100%
Transportation	60	20	20	0	0	100%
Utilities	12	25	38	12	12	99%

TABLE 13

PROGRAM PERCENTAGES WITHIN YEARS OPERATIONAL

	Years Operational				
Industry	0-1	2-3	4-6	7-10	Over 10
Commercial Banking	7	20	40	57	0
Life Insurance	40	60	20	0	0
Diversified Financial	13	5	13	14	0
Retailing	13	0	0	14	50
Transportation	20	5	7	0	0
Utilities	7	10	20	14	50
TOTAL:	100%	100%	100%	99%	100%

Program age is also broken down according to organizational size. These results are shown in Table 14 (below).

TABLE 14

BREAKDOWN OF ORGANIZATIONAL SIZE
BY AGE OF PROGRAM

Organizational Size by Number of Employees	0-1	2-3	4-6	7-10	Over 10	Total	%
Less than 5,000	7	10	2	2	0	21	36%
5,001 to 20,000	7	8	10	3	1	29	49%
20,001 to 50,000	1	1	2	1	0	5	8%
50,001 to 100,000	0	1	1	1	0	3	5%
More than 100,001	0	0	0	0	1	1	2%
TOTAL:	15	20	15	7	2	59	100%

Once again, these data are presented in percentage form within industry in Table 15 (below) and within organizational size in Table 16 (p. 56).

TABLE 15

PROGRAM PERCENTAGES FOR ORGANIZATIONAL SIZE
BROKEN DOWN BY YEARS OPERATED

Organizational Size by Number of Employees	0-1	2-3	4-6	7-10	Over 10	Total
Less than 5,000	33	48	10	10	0	101%
5,001 to 20,000	24	28	34	10	3	99%
20,001 to 50,000	20	20	40	20	0	100%
50,001 to 100,000	0	33	33	33	0	99%
More than 100,001	0	0	0	0	100	100%

TABLE 16

PROGRAM PERCENTAGES FOR YEARS OPERATIONAL
BROKEN DOWN BY NUMBER OF EMPLOYEES

Organizational Size by Number of Employees	Years Operational				
	0-1	2-3	4-6	7-10	Over 10
Less than 5,000	47	50	13	29	0
5,001 to 20,000	47	40	67	43	50
20,001 to 50,000	7	5	13	14	0
50,001 to 100,000	0	5	7	14	0
More than 100,001	0	0	-	0	50
TOTAL:	101%	100%	100%	100%	100%

The companies that responded that they operated an upward communication program were asked the number of inquiries handled annually. Table 17 (below) shows the number of programs classified by the number of inquiries handled annually.

TABLE 17

NUMBER OF ANNUAL INQUIRIES

Inquiries	Number of Programs	%
1-50	15	30%
51-100	6	12%
101-250	9	18%
251-500	7	14%
501-1,000	8	16%
Over 1,000	5	10%
TOTAL:	50[1]	100%

Mean number of inquiries: 2,444

Median number of inquiries: 200

Range: 5 to 100,000.

[1]Twelve companies did not respond.

The mean number of inquiries per year for all of the programs is 2,444. The median number of inquiries per year is 200. A total of 60 percent of the programs reported less than 251 inquiries annually.

Table 18 (p. 58) shows a matrix of upward communication programs of number of inquiries by industry.

Table 19 (p. 59) lists the reported upward communication programs by number of inquiries annually and by organizational size.

A breakdown of years of operation by annual number of inquiries received is presented in Table 20 (p. 60).

The upward communication programs were also classified by types of programs. Programs were classified by five types. They are: employees direct concerns 1) to top management without an intermediary, 2) to a designated program administrator, who presents them to top management, 3) to a fellow employee who presents them to top management, 4) to representative who is not a member of company who refers them to top management, and 5) other types of programs.

Table 21 (p. 61) lists the different types of programs by industry. A total of 54 percent of the programs use a designated program administrator, while no program uses a non-employee representative.

It should be noted that the number of program types exceeds the number of companies that have programs. This

TABLE 18

BREAKDOWN OF ANNUAL NUMBER OF INQUIRIES
BY INDUSTRY

Industry	1 to 50	51 to 100	101 to 250	251 to 500	501 to 1,000	Over 1,001	Total	%
Commercial Banking	3	1	3	2	4	2	15	30%
Life Insurance	5	4	2	2	2	1	16	32%
Diversified Financial	3	0	3	0	0	0	6	12%
Retailing	2	0	0	0	1	1	4	8%
Transportation	2	0	0	0	0	1	3	6%
Utilities	0	1	1	3	1	0	6	12%
TOTAL:	15	6	9	7	8	5	50	100%

TABLE 19

BREAKDOWN OF ANNUAL NUMBER OF INQUIRIES
BY ORGANIZATIONAL SIZE

Organizational Size by Number of Employees	1 to 50	51 to 100	101 to 250	251 to 500	501 to 1,000	Over 1,001	Total	%
Less than 5,000	8	4	2	2	1	0	17	34%
5,001 to 20,000	6	2	7	5	4	2	26	52%
20,001 to 50,000	1	0	0	0	1	2	4	8%
50,001 to 100,000	0	0	0	0	2	0	2	4%
More than 100,001	0	0	0	0	0	1	1	2%
TOTAL:	15	6	9	7	8	5	50	100%

TABLE 20

BREAKDOWN OF ANNUAL NUMBER OF INQUIRIES
BY YEARS OF OPERATION OF PROGRAM

Years in Operation	1 to 50	51 to 100	101 to 250	251 to 500	501 to 1,000	Over 1,001	Total	%
0 - 1	4	3	2	0	1	2	12	24%
2 - 3	6	1	2	3	3	0	15	30%
4 - 6	3	1	5	2	2	1	14	28%
7 - 10	2	0	0	2	2	1	7	14%
Over 10	0	1	0	0	0	1	2	4%
TOTAL:	15	6	9	7	8	5	50	100%

TABLE 21

TYPES OF PROGRAMS BY INDUSTRY

Industry	# of Companies with Programs	Top Management	Program Administrator	Fellow Employee	Representative	Other	Total	%
Commercial Banking	16	2	15	3	0	0	20	24%
Life Insurance	23	6	16	5	0	8	35	42%
Diversified Financial	6	2	4	1	0	2	9	11%
Retailing	4	0	4	0	0	0	4	5%
Transportation	5	1	1	1	0	2	5	6%
Utilities	8	1	5	1	0	3	10	12%
TOTAL:	62	12	45	11	0	15	83	100%
PERCENTAGE:	-	15%	54%	13%	-	18%	100%	-

is because 16 companies utilize more than one type of program.

Table 22 (below) shows the occurrence of combination programs by industry.

As can readily be seen, the most popular use of combination programs is in the life insurance field, where 43 percent of all companies who operate an upward communication program utilize more than one type of program.

If one subtracts the combination programs from the total number of programs in each industry, a table can be developed showing the number of companies by industry that only use one type of program.

TABLE 22

COMBINATION PROGRAMS

Industry	Total Number of Programs	Number of Combination Programs	% of Total Programs
Commercial Banking	16	3	19%
Life Insurance	23	10	43%
Diversified Financial	6	1	17%
Retailing	4	0	0
Transportation	5	0	0
Utilities	3	2	25%
TOTAL:	62	16	26%

Table 23 (p. 63) shows the types of combination programs which were used by the respondents.

Fourteen of the combination programs use a designated

program administrator, while nine of the programs utilize other types of programs: Eight of the combination programs indicate they take their concerns directly to top management.

TABLE 23

TYPES OF COMBINATION PROGRAMS

Types	Number of Occurrences
Program administrator and other	6
Program administrator and direct to top management	3
Program administrator and fellow employee and direct to top management	3
Program administrator and fellow employee	1
Direct to top management and other	1
Fellow employee and other	1
Program administrator, fellow employee, direct to top management and other	1
TOTAL:	16

Table 24 (p. 64) lists the occurrence of the various types of programs, based on the 62 companies which indicated they operated an upward communication program.

The information indicates that 50 percent of the companies use a designated program director as the only type of upward communication program they operate.

With the addition of the 14 programs which use a

program administrator in combination with another type of program, the program administrators are used in 73 percent of the companies reporting a program.

TABLE 24

TYPES OF UPWARD COMMUNICATION PROGRAMS WITHIN SAMPLE

Concerns directed to:	Number	%
Top Management	4	6%
Program Administrator	31	50%
Fellow Employee	5	8%
Outside Representative	0	-
Other	6	10%
Combination Program	16	26%
TOTAL:	62	100%

The different types of reported programs were also broken down by industry size. These data are presented in Table 25 (p. 65).

These data show that combination programs occur with the greatest frequency in companies with less than 5,000 employees. These data also indicate that the use of a program administrator as director of an upward communication program is the dominant form of program for all organizational sizes.

The use of a program administrator as the only type of program in a company increases with organizational size.

Table 26 (p. 66) breaks down the types of programs

TABLE 25

TYPE OF PROGRAM BY NUMBER OF EMPLOYEES

Organizational Size by Number of Employees	# of Programs	Top Management	Program Administrator	Fellow Employee	Outside Representative	Other	Total	Combination Programs	% Combination
Less than 5,000	23	7	16	4	0	6	33	9	39%
5,001 to 20,000	30	4	22	6	0	7	39	6	20%
20,001 to 50,000	5	0	3	0	0	2	5	0	-
50,001 to 100,000	3	1	3	1	0	0	5	1	33%
More than 100,000	1	0	1	0	0	0	1	0	-
TOTAL:	62	12	45	11	0	15	83	16	26%

TABLE 26

TYPE OF PROGRAM BY YEARS OPERATED

Years in Operation	# of Programs	Top Management	Program Administrator	Fellow Employee	Outside Representative	Other	Total	Combination Programs	% Combination
0 - 1	15	3	9	3	0	3	18	2	13%
2 - 3	20	3	16	0	0	7	26	6	30%
4 - 6	15	3	12	4	0	3	22	4	27%
7 - 10	7	1	5	2	0	1	9	2	29%
Over 10	2	1	1	0	0	0	2	0	-
Unknown	2	1	2	2	0	1	6	2	-
TOTAL:	62	12	45	11	0	15	83	16	

with the number of years a program has been operational. Once again, the dominant type of program used in each age category is the designated program director.

Table 27 (p. 68) shows a breakdown of the different types of programs and the annual number of inquiries.

The data show that the program administrator system represents the majority of all programs reported at all levels of employee inquiries per year. Furthermore, the choice of the program administrator system increases as the number of inquiries per year increases. Of all programs handling over 251 responses per year, 80 percent utilize program administrators to act as liaisons between employees and management.

B. Analysis of Results

Wide Interest in Upward Communication Programs

The 43 percent overall response rate to the first questionnaire indicates an apparent high degree of interest among managers in business organizations about upward communication programs.

In fact, many companies reporting they had no program indicated they were planning to start one. Others indicated they were anxious to see the survey results in order to present a proposal to management for starting a program.

Sixty-two companies, or 21 percent of the entire Fortune 300 indicated that they had some type of upward

TABLE 27

TYPE OF PROGRAM BY ANNUAL INQUIRIES

Number of Annual Inquiries	# of Programs	Top Management	Program Administrator	Fellow Employee	Outise Representative	Other	Total	Combination Programs	% Combination
1 - 50	15	4	11	2	0	4	21	4	19%
51 - 100	6	3	5	1	0	0	9	1	17%
101 - 250	9	1	7	1	0	0	9	1	11%
251 - 500	7	0	6	1	0	3	10	3	42%
501 - 1,000	8	0	7	1	0	1	9	1	12%
Over 1,001	5	0	3	2	0	0	5	0	-
Unknown	12	4	6	3	0	7	20	6	-
	62	12	45	11	0	15	83	10	

communication program. It would appear that while these programs are not found yet in the majority of U.S. companies, they are becoming more prevalent in American industry.

There is also a high interest in upward communication programs among companies that already have a program, and among those who are considering starting such a program.

The concept of a formalized upward communication program within business organizations is still relatively new--the median number of years these programs have operated is three years.

The newness of the idea is indicated further by the fact that not all programs are operated on a company-wide basis. Although 69 percent of the companies with programs responded that they were operated company-wide, many respondents indicated that this had been a recent changeover. The apparent trend is to implement the formalized program in one branch of the company, and, if successful, to expand it company-wide.

A Concentration of Programs in Two Industries

The high response rates and the high percentage of programs in both the life insurance and commercial banking industries indicate a great deal of activity within the industries regarding upward communication, and perhaps a greater degree of experience with these programs as compared

to other industries.

The life insurance industry had an 86 percent response rate within its own industry, making up 33 percent of the total responses. The commercial banking industry had a 60 percent response rate within its industry, making up 23 percent of the total responses.

Furthermore, more than 60 percent of the companies reporting upward communication programs were within the life insurance and commercial banking industries. The life insurance industry represented 37 percent, and commercial banking, 26 percent of the total reported programs.

It also appeared that the commercial banking and life insurance industries, with the highest number of total years of operational programs, had been in the upward communication field the longest. The majority of the commercial banking programs ranged from four to ten years of age, while most life insurance programs ranged in age from zero to three years.

A total of 43 percent of the life insurance companies indicated they operated more than one type of upward communication program. The next largest concentration of combination programs was in the commercial banking industry, with 19 percent of the programs reported using multiple methods.

These figures point to a great willingness to try a variety of approaches to employee-management communication

within the two industries, most especially life insurance. The younger age of programs in life insurance companies probably accounts for some of the use of multiple programs. A natural tendency in such a situation would be to try out several programs to see "what works."

It should also be noted that 55 percent of the Fortune 300 companies in the life insurance and commercial banking industries have less than 5,000 employees. One of the findings of this study was that the highest occurrence of combination programs occurred in smaller companies.

Tendency for Programs in Smaller Companies

Because the response rate was so high in companies with less than 20,000 employees (88 percent of the total respondents with or without programs were from this group) it seems that the highest degree of interest in the subject of upward communication programs is from companies that are moderately large to relatively small.

This is further documented by the fact that organizations of this size only make up 74 percent of the Fortune listing, while they make up nearly 90 percent of the responses.

Eighty-five percent of the companies with programs reported they had less than 20,000 employees. (Forty-eight percent of those companies were in the 5,001 to 20,000 employee category, and 37 percent were in the under 5,000

category.)

Companies with a combination of programs fall most frequently into the under 5,000 employees category. Perhaps one reason is the expense of initiating a program across a company of 25,000 employees or more. Having a smaller company makes it possible to try several different upward communication programs at less cost than it would to do so in a larger corporation. Also, the smallness affords easier and more direct contact with top management.

Program Age and Number of Inquiries Positively Related

There does not appear to be a strong relationship between number of inquiries and organizational size, although there seems to be a relationship between years of operation of the program and number of inquiries. This relationship indicates that the older programs are larger, in that they have a higher number of inquiries than the total number of younger programs (see Table 20, p. 60).

This relationship is based across all programs, as opposed to taking one program and tracing its history. The survey did not ask program directors to compare the number of inquiries the program is now receiving with the number received at the program's initiation.

The research has already shown that as the individual program age goes up, the number of inquiries goes down. The 1976 study by the Public Service Electric and Gas

Company showed that the highest percentage of inquiries appears to fall within the first three years of operation, dropping off gradually to a lesser, steady amount.

The fact that 28 percent of the reported companies have been operating for four to six years, and 14 percent of the programs have been operating for seven to ten years, seems to point up that a program may still have longevity, even though the number of inquiries may have dropped.

Popularity of "Program Administrator" System

Since 73 percent of the reported 62 companies use a "designated program director" type of upward communication system, it seems that a substantial majority of companies view this type of program as highly desirable and effective. (This type of program uses a program director to take employee concerns to management, discuss the issue, and then get back to the employee with the answer.)

Fifty percent of the companies who use only one type of program use the "program director" system. Fourteen of the 16 companies that have a combination program use a program administrator in addition to other programs, bringing the total percentage to 73.

The use of the liaison program administrator is the dominant form of program for all organizational sizes, as well as in each age category. Furthermore, the tendency to use this type of program increases with organizational size,

as well as with number of employee inquiries per year. Only 6 percent of the reporting programs said they took concerns directly to top management. No companies took their concerns to an outside representative.

CHAPTER IV

RESULTS OF SECOND QUESTIONNAIRE

A. Discussion

A second questionnaire was mailed to each of the companies who reported an upward communication program in the first questionnaire. The purpose of the second questionnaire was to gain more information from program operators about their companies' upward communication programs. Table 1 (p. 76) shows the number of respondents by industry.

The second questionnaire had a two-thirds response rate. Only the diversified financial industry was unresponsive to the survey with only one response. The distribution of the companies into industries in the second questionnaire is very similar to the distribution of companies reporting programs in Questionnaire #1.

The demographic data shown in Table 2 (p. 77) also shows the similarities between the companies reporting programs in Questionnaire #1 and the respondents to Questionnaire #2.

Of the 62 companies reporting programs in Questionnaire #1, only 41 responded to Questionnaire #2. The character-

TABLE 1

RESPONSE RATE FOR QUESTIONNAIRE #2 AND COMPARATIVE DISTRIBUTION OF PROGRAMS BY INDUSTRY

Industry	Respondents Questionnaire #2	Response Rate	%	Programs Reported Questionnaire #1	%
Commercial Banking	12	75%	29%	16	26%
Life Insurance	18	78%	44%	23	37%
Diversified Financial	1	17%	2%	6	10%
Retailing	3	75%	7%	4	6%
Transportation	2	40%	5%	5	8%
Utilities	4	50%	10%	8	13%
Unknown	1	—	2%	—	—
TOTAL:	41	66%	99%	62	100%

istics of the two samples, however, did not change. Approximately the same percent of programs reported are on a company-wide basis. The two samples also reported similar figures for the median number of years of operation and median number of inquiries handled annually, although the figures are slightly higher for Questionnaire #2. The mean number of years operated were nearly identical, however.

TABLE 2

DEMOGRAPHIC COMPARISONS
QUESTIONNAIRE #1 - QUESTIONNAIRE #2

	Questionnaire #1	%	Questionnaire #2	%
Company-wide Programs	43	69%	29	72.5%
Non Company-wide Programs	19	31%	11	27.5%
Mean number of years program operational	4.59 years		4.44 years	
Median number of years operational	3		4	
Median number of inquiries annually	200		350	

Table 3 (p. 78) lists the types of upward communication programs reported by the respondents to Questionnaire #2. The distribution is similar to that of Questionnaire #1, with the "program administrator" system representing more than 50 percent of all reported types of programs.

TABLE 3

COMPARISON OF TYPES OF PROGRAMS
QUESTIONNAIRE #1 - QUESTIONNAIRE #2

Employees direct concerns to:	Questionnaire #1	%	Questionnaire #2	%
Top Management	12	15%	8	16%
Program Administrator	45	54%	30	60%
Fellow Employee	11	13%	4	8%
Other	15	18%	8	16%
TOTAL:	83	100%	50	100%

The operators of upward communication programs were asked to evaluate the objectives of their programs and the degree to which they had been achieved. Objectives were ranked on a scale from "highly significant" to "highly insignificant."

The five-point achievement scale ranged from "object surpassed" to "object unlikely to be achieved."

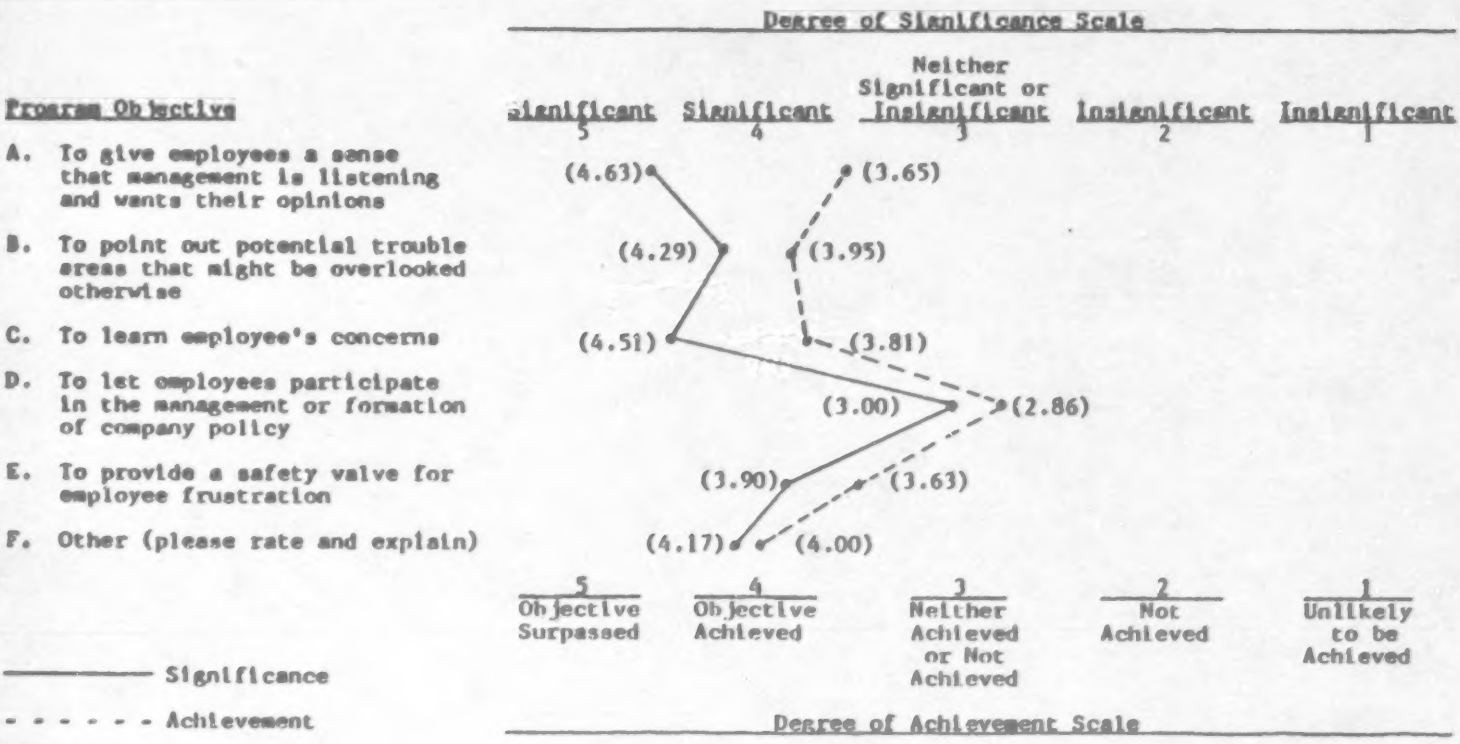
Table 4 (p. 79) presents the average rating of objective significance and achievement as reported by the 41 companies.

Each company was asked to evaluate five objectives and was also given the opportunity to list other objectives. One of the "other" objectives mentioned was, "to share information on corporate policy and other subjects with employees," and another was simply, "to answer questions."

The distribution of the responses on the significance of the objectives is shown in Table 5 (p. 81). Forty of

TABLE 4

PROGRAM OBJECTIVES - PROGRAM ACHIEVEMENTS
AVERAGE DEGREE OF SIGNIFICANCE - AVERAGE DEGREE OF ACHIEVEMENT
41 PROGRAMS



the 41 companies felt that program objectives A, B, and C were significant. Only objective D was found by the majority of the companies to be an insignificant objective.

Similarly, Table 6 (p. 82) shows the frequency ratings for the degree of achievement for the same program objectives. Objective B was achieved by 82.5 percent of the companies. Objectives A, C, and E were also achieved by over two-thirds of the program.

Questionnaire #2 also asked several questions about the attitude of the upward communication program directors toward their company's program. The program directors were asked to rate 11 statements about the upward communication program of their company on a scale from "strong agreement" to "strong disagreement."

Table 7 (p. 83) shows the average responses from the 41 companies who completed the survey.

The strongest agreement was to the attitude statement number 8, which said that "employees were free to ask questions without fear of reprisal." The strongest disagreement was with the statement that "some managers resent the program because it takes the situation out of their direct control."

Table 8 (p. 84) shows the distribution of the answers on the program directors' attitudes toward their upward communication program.

TABLE 5

PROGRAM OBJECTIVES
FREQUENCY DEGREE OF SIGNIFICANCE RATINGS

Program Objective	Highly Significant 5	Significant 4	Neither Significant or Insignificant 3	Insignificant 2	Highly Insignificant 1
A. To give employees a sense that management is listening and wants their opinions	29	11	0	0	1
B. To point out potential trouble areas that might be overlooked otherwise	11	30	0	0	0
C. To learn employee's concerns	24	16	0	0	1
D. To let employees participate in the management or formation of company policy	1	9	23	5	3
E. To provide a safety valve for employee frustration	8	24	7	1	1
F. Other (please rate and explain)[1]	1	3	0	0	0

[1]Thirty-five respondents did not list other.

TABLE 6

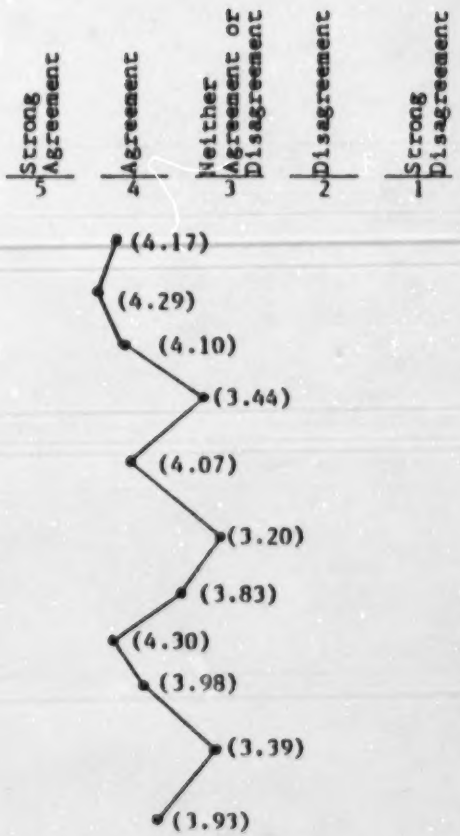
PROGRAM OBJECTIVES
FREQUENCY DEGREE OF ACHIEVEMENT RATINGS

Program Objective[1]	Objective Surpassed 5	Objective Achieved 4	Achieved or Not Achieved 3	Not Achieved 2	Unlikely to be Achieved 1
A. To give employees a sense that management is listening and wants their opinions	1	28	8	2	1
B. To point out potential trouble areas that might be overlooked otherwise	5	28	7	0	0
C. To learn employee's concerns	2	27	7	1	0
D. To let employees participate in the management or formation of company policy	0	2	28	3	2
E. To provide a safety valve for employee frustration	3	22	10	2	1
F. Other (please rate and explain)	0	3	0	0	0

[1]No responses: A-1, B-1, C-4, D-6, E-3, F-35.

TABLE 7

AVERAGE RATING OF PROGRAM DIRECTOR ATTITUDES



1. Program gives employees a sense that management is listening and wants their opinions.
2. Program enables management to learn employees' concerns.
3. Program allows employees to express their frustrations.
4. Employees' opinions gained through program are taken into consideration by management when formulating company policy.
5. Program points out potential trouble areas which might otherwise be overlooked.
6. Some managers resent the program because it takes a situation out of their direct control.
7. Program points out inconsistent company procedures.
8. Employees are free to ask questions without fear of reprisal.
9. Answers to employees' questions are credible.
10. Length of time required to get a response to an employee is reasonable.
11. Answers to employees' questions are clear and informative, even though they may not be the answer the employee wanted.
12. Other (please rate and explain)._____

TABLE 8

PROGRAM DIRECTOR ATTITUDES--FREQUENCY RATINGS

	Strong Agreement 5	Agreement 4	Neither Agreement or Disagreement 3	Disagreement 2	Strong Disagreement 1
1. Program gives employees a sense that management is listening and wants their opinions.	12	26	1	2	0
2. Program enables management to learn employees' concerns.	12	29	0	0	0
3. Program allows employees to express their frustrations.	10	26	4	1	0
4. Employees' opinions gained through program are taken into consideration by management when formulating company policy.	3	19	13	5	1
5. Program points out potential trouble areas which might otherwise be overlooked.	10	26	4	0	1
6. Some managers resent the program because it takes a situation out of their direct control.	4	14	11	10	2
7. Program points out inconsistent company procedures.	5	25	10	1	0
8. Employees are free to ask questions without fear of reprisal.[1]	15	22	3	0	0
9. Answers to employees' questions are credible.	6	30	3	2	0
10. Length of time required to get a response to an employee is reasonable.	1	25	6	7	2
11. Answers to employees' questions are clear and informative, even though they may not be the answer the employee wanted.	7	27	4	3	0
12. Other (please rate and explain)._____	1	0	0	0	0

[1]No responses: 8-1, 12-40.

Table 9 (p. 86) shows the average rating of the perceived employee feelings regarding the upward communication program. Once again, the responses were made on a scale from "strong agreement" to "strong disagreement."

The strongest agreement was with the statement that "employees use the program to express their frustrations." Most companies indicated that the employees did not perceive that they are participating in the management of the company.

Table 10 (p. 87) shows the distribution of the company program directors' responses to the nine statements.

Only statements 2 and 8, regarding whether employees participate in management or the formulation of company policy, were rated with disagreement.

Each program director was asked to evaluate the degree of support for the upward communication program by the firm's chief executive officer. The rating was done on a scale from 5 to 1, with 5 being "full support," and 1 being "no support." Th average response was 4.54, or very supportive. Twenty-six companies reported full support from their chief executive officers.

Employee attitude was also ranked on a five-point scale, from "strongly favored," to "strongly dislike." The average rating was 3.82, or fairly highly favored.

The results of these two questions are shown in Table 11 (p. 88).

TABLE 9

PERCEPTION OF EMPLOYEES' FEELINGS
AVERAGE RATING

	Strong Agreement 5	Agreement 4	Neither Agreement or Disagreement 3	Disagreement 2	Strong Disagreement 1
1. Employees have a sense that management is listening and wants their opinions.			(3.62)		
2. Employees feel they are participating in the management of the company.				(2.51)	
3. Employees feel free to ask questions without fear of reprisal.			(3.80)		
4. Employees use program to express their frustrations.			(3.97)		
5. Employees use program when normal "chain of command" would satisfy their needs.			(3.56)		
6. Employees see the answers to their questions as credible.			(3.56)		
7. Employees feel length of time to get responses to their questions is reasonable.			(3.36)		
8. Employees feel changes in policy come about as result of their complaints.				(2.85)	
9. Employees feel that the answers to their questions are clear and informative, even though they may not get the answer they want.			(3.64)		
10. Other comments (please explain and rank).					

TABLE 10

PERCEPTION OF EMPLOYEES' FEELINGS
FREQUENCY RATINGS

	Strong Agreement 5	Agreement 4	Neither Agreement or Disagreement 3	Disagreement 2	Strong Disagreement 1
1. Employees have a sense that management is listening and wants their opinions.	2	22	13	2	0
2. Employees feel they are participating in the management of the company.	0	6	11	19	3
3. Employees feel free to ask questions without fear of reprisal.	3	27	7	2	0
4. Employees use program to express their frustrations.	5	29	4	1	0
5. Employees use program when normal "chain of command" would satisfy their needs.	3	21	10	5	0
6. Employees see the answers to their questions as credible.	2	21	13	3	0
7. Employees feel length of time to get a response to their questions is reasonable.	2	19	10	7	1
8. Employees feel changes in policy come about as result of their complaints.	0	9	15	15	0
9. Employees feel that the answers to their questions are clear and informative, even though they may not get the answer they want.	2	24	10	3	0
10. Other comments (please explain and rank).	0	0	0	0	0

No response for two companies.

TABLE 11

CHIEF EXECUTIVE OFFICER SUPPORT

	Full Support 5	4	3	2	No Support 1
Frequency Distribution (2 non-responses)	26	8	5	0	0

Average rating: .454

PERCEIVED EMPLOYEE ATTITUDE

	Strongly Favor 5	4	3	2	Strongly Disagree 1
Frequency Distribution (2 non-responses)	6	20	13	0	0

Average rating: .382

Table 12 (p. 90) shows the breakdown of the reported size of the upward communication program budgets and personnel staffs. A large majority of the companies' programs operate on a budget of less than $20,000 annually. A majority of the companies also reported that one to two employees work in the program.

These results are difficult to interpret because the

upward communication program is generally part of a larger area. Therefore, the management supervision cost of the program may or may not be reported in the program budget. It is also uncertain whether the individuals reported as working in the program do so on a full-time or part-time basis.

Table 13 (p. 91) clearly shows that almost all (95 percent) of the companies maintain the anonymity of the employee asking the question.

Just over half of the companies do report that there are circumstances which require revealing the identity of the employee to management. Two of the programs, by nature of their operation, do not maintain anonymity--this is because they are face-to-face committee meetings. The other 20 programs that indicated they would reveal a name stated they would do so only when it was necessary to solve the problem.

In 16 of those cases, it was also stated that the questioner's name was only revealed with his or her permission.

Companies were questioned as to which types of questions arose most frequently. The results are shown in Table 14 (p. 92). The rating was from 1 to 5, with 1 being the question that arises most frequently.

Questions about company benefits were the most numerous of all question areas, followed by questions on working

TABLE 12

ANNUAL BUDGET AND STAFF SIZE

	Under $20,000	$20,000 to $30,000	$30,000 to $40,000	$40,000 to $50,000	$50,000 to $60,000	Over $60,000
Size of Annual Budget	25	6	0	1	1	2

(Six companies did not report size of operating budget.)

	1 - 2	3 - 4	5 - 7	8 - 10	Over 10
Number of Employees in Program	26	5	2	4	1

(Three companies did not respond.)

TABLE 13

PROGRAM USE OF EMPLOYEE ANONYMITY

Maintain anonymity	38
Do not offer employee anonymity	2
Certain circumstances which require revealing identity of employee:	
Yes	22
No	18

conditions. Common areas mentioned under "other" were corporate procedures and performance appraisals.

Companies were asked which methods they used to keep employees informed about the program. Table 15 (p. 94) shows the results of this question.

From the responses, the most popular method of keeping employees informed about the program is a question and answer column in a company publication.

The most common "other" method listed was new employee orientation and information given to new employees.

A similar question was asked regarding the way top management was kept informed about the program. Table 16 (p. 94) shows these results.

The results indicate that the question and answer column in the company publication is also used to keep top

TABLE 14

MOST COMMON QUESTION AREAS AND
FREQUENCY WITH WHICH THEY ARISE

Question Area	Arises Most Frequently 1	2	3	4	5	Arises Least Frequently 6	No Response	Median
A. Working Conditions	8	14	6	2	6	1	4	2.65
B. Salary	4	9	3	6	7	1	11	3.20
C. Company Benefits	12	10	3	6	5	0	5	2.50
D. Personnel Problems	5	8	8	11	3	6	6	2.97
E. Promotions	5	3	11	4	8	1	9	3.31
F. Other	3	1	5	2	1	2	0	3.21

management informed. In two-thirds of the companies, periodic memos and reports are also used to keep top management aware of what is happening within the program.

Independent reports and verbal meetings were common "other" methods to keep top management informed.

Table 17 (p. 95) shows the distribution of programs by the percentage of the questions they answer. A total of 78 percent of the programs indicate they answer over 98 percent of all questions received.

The percentage distribution of the questions and answers published is shown in Table 18 (p. 95). More than 90 percent of the companies responded that they do publish some of their questions and answers.

A third of the companies publish less than 10 percent of the questions and answers, another third between 10 percent and 39 percent, with the final third publishing over 40 percent of the questions received.

The companies were asked why some questions were not answered. The responses are shown in Table 19 (p. 96).

It is apparent that the major reason that questions are not answered is that there is no way to contact the employee. This is probably due to a question being submitted without signature or identification.

The reasons for not publishing questions and answers were also categorized. These results are summarized in Table 20 (p. 96).

TABLE 15

METHODS FOR INFORMING EMPLOYEES ABOUT PROGRAM

	Method Used	Method Not Used
A. Periodic memo and/or reports	12	29
B. Bulletin boards	16	25
C. Printing questions and answers in company publication	35	6
D. Displays	13	28
E. Other	10	0

TABLE 16

METHODS FOR KEEPING TOP MANAGEMENT INFORMED

	Method Used	Method Not Used
A. Periodic memo and/or reports	27	14
B. Bulletin boards	2	39
C. Printed questions and answers in company publication	28	13
D. Displays	4	37
E. Other	9	0

TABLE 17

DISTRIBUTION OF COMPANIES BY PERCENT OF QUESTIONS ANSWERED

Percentage of Questions Answered	Number of Programs
100%	21
98-99%	7
90-97%	5
70-90%	1
50-70%	1
30-50%	0
Under 30%	1
	36

(Five companies did not respond.)

TABLE 18

DISTRIBUTION OF COMPANIES BY PERCENT OF QUESTIONS PUBLISHED

Percentage of Questions Published	Number of Programs
0-4%	5
5-9%	6
10-19%	7
20-39%	6
40-59%	6
60-79%	2
80-100%	2
	34

(Seven companies did not respond.)

Most companies do not publish questions and answers that are quite specific and not of a general interest to others. Two other common reasons for not publishing is that the question is too sensitive or insulting.

TABLE 19

REASONS FOR NOT ANSWERING SUBMITTED QUESTIONS

		Yes	No
A.	Question is too sensitive	4	33
B.	Question is critical of company policy	0	37
C.	No way to contact employee	19	18
D.	Question is insulting (to person or area)	5	32
E.	Not enough information in question to answer completely	6	32

TABLE 20

REASONS FOR NOT PUBLISHING ANSWERS

		Yes	No
A.	Question is too sensitive	14	23
B.	Question is critical of company policy	3	34
C.	No way to contact employee	6	31
D.	Question is insulting	11	26
E.	Not enough information in question to answer completely	6	31
F.	Question is too specific to be of general interest	32	5

B. Analysis of Results

This second questionnaire, which was intended to gain more specific information about the operation, goals, achievement and effectiveness of upward communication programs, asked a total of 50 questions. The questionnaire was six pages in length compared to the previous one-page survey.

Given the length, the 41 responses (a two-thirds response rate) are quite impressive, which points up the desire to share and gain information on upward communication programs on the part of program directors and top management. Many of the questionnaires contained thoughtful comments regarding the problems directors have had with their own programs and ways in which their programs could be improved.

The questionnaire was directed to upward communication program directors, a factor that must be considered when evaluating the information from this survey.

Demographic Similarities

One finding of this questionnaire was the similarity of the demographic information with the first questionnaire. The distribution of companies by industry, the types of reported programs, the percentage of company-wide programs, the number of years operated, and the number of inquiries handled annually were quite similar to the

responses on the first questionnaire.

In addition, the program administrator or liaison who takes concerns to management and gets back to the employee with an answer represented over 50 percent of all reported types of programs--again, very close to the first questionnaire findings.

The great similarity in demographic information is due to the first questionnaire's response rate of 66 percent. The 21 companies which did not respond to the second questionnaire were apparently well-distributed throughout the companies reporting programs in Questionnaire #1.

Goals and Achievement

As shown in Table 4 (p. 79), program goals and degree of achievement were rated on five-point scales. The majority of upward communication program directors felt that three of the five stated program objectives were considered highly significant reasons for forming their own program.

These were: 1) to give employees a sense that management is listening and wants their opinions, 2) to point out potential trouble areas that might be overlooked otherwise, and 3) to learn employees' concerns.

The fourth goal, "to provide a safety valve for employee frustration," was rated as significant, and the fifth goal, "to let employees participate in the management

or formation of company policy," was rated as the least significant of all the goals.

These findings indicate that although company program directors, and most likely company top management, place a high value on giving employees the opportunity to speak out, they do not regard employee participation in company management an important goal of their programs.

All of the goals that were rated as "significant" to "highly significant" to the program were also rated as having been achieved.

The highly significant goal, "to point out potential trouble areas that might otherwise be overlooked" was achieved in 82 percent of the companies. The three goals: "giving employees a sense that management is listening and wants their opinions, learning employee concerns and providing a safety valve for employee frustration" were achieved in two-thirds of the companies.

If one looks at the chart on Table 4 (p. 79) which shows a comparison between the significance and the achievement, the goal, "to let employees participate in the management or formation of company policy" was rated with nearly the same low level of achievement as it was level of significance.

There were two program objectives which had a wider span between their rating on level of significance and degree of achievement. Objective A, which shows the

average significance of 4.63 on a scale of 5, shows only an average achievement rating of 3.65. Clearly, many managers do not see the goal, "to give employees the sense that management is listening and wants their opinions" as having been totally achieved.

The other goal: "to learn employee concerns," was given a high 4.51 significance, but has only been achieved at the 3.81 level in an average of companies responding. It would seem that program directors are not satisfied that they have actually discovered the full extent of employee concerns through the program.

In the "other" category, the responses were written in, so it is not surprising that the goals and degree of achievement match closely.

One might be able to draw the conclusion that, generally, if a goal is deemed to be important when an upward communication program is formed, it will most likely be achieved to some degree.

Directors Perceive Program to be Effective

On the whole, the upward communication program directors had positive feelings about the effectiveness of their programs. A five-point scale, with 5 being strong agreement and 1 being strong disagreement, was used to chart program administrators' attitudes about their programs' effectiveness.

Respondents agreed most wholeheartedly with the statement: "employees are free to ask questions without fear of reprisal," which was given an average rating of 4.3. This finding points to the high importance of the employee being able to trust the program.

The statement that met with the strongest disagreement was: "some managers resent the program because it takes a situation out of their direct control." This would seem to indicate that, on the average, most managers do not regard the program with hostility and have accepted it, for the most part.

The statement which had the next strongest disagreement was: "length of time required to get a response to an employee is reasonable," which had a 3.39 rating. The responses to this statement would indicate that many program directors are not satisfied with the amount of time it takes to get an answer cleared through management before it is sent to the employee.

The statement, "employees' opinions gained through the program are taken into consideration by management when formulating company policy" was given a 3.44 rating, which falls somewhere in the range of "neither agree nor disagree." This probably indicates that employee input may or may not be used in formulating company policy, depending on what the nature of the employee opinion might be.

On the average, however, the program directors responded favorably to the statements regarding their programs' effectiveness.

They indicated they felt that their program gave employees a sense that management wanted their opinions, that it enabled management to learn employee concerns, that it allowed employees to express their frustrations, that it pointed out potential trouble areas that might otherwise be overlooked, that it pointed out inconsistent company procedures, and that answers to employee questions are credible, clear and informative.

Directors' Perception of Employee Attitudes

Table 9 (p. 86), which shows the program directors' perceptions of employee attitudes about program effectiveness, indicates a slightly less enthusiastic attitude toward the program on the part of employees as compared to the program administrators.

For example, program directors feel strongly that their programs give employees a sense that management is listening, but at the same time don't feel employees hold this attitude as strongly. This is evidenced by a 3.62 average score on this question as employees (as perceived by directors) see it, compared to a 4.17 average on the same statement when program directors were asked their own attitudes.

The strongest disagreement was with the statement, "employees feel that they are participating in the management of the company." This seems to mean that employees do not have a feeling that they are contributing to real policymaking decisions within the company through the program.

On the other hand, when the directors were asked on the previous page of the questionnaire whether employee opinions gained through the program were taken into consideration by management when formulating company policy, they agreed on the average of 3.44. This is not a strong agreement, but stronger than what they perceive employees feel about this same aspect.

Two statements--"employees feel free to ask questions without fear of reprisal," and "employees use the program to express their frustrations," matched fairly closely, with program directors indicating that employees agreed with these statements as well as themselves.

Generally, the answers indicated that employees saw the answers to their questions as fairly credible, that the length of time to get a response to a question was fairly reasonable, and that the answers to their questions were fairly clear and informative --all positive--although to a slightly less degree than the program administrators' own opinions on the statements.

The findings in this particular section are quite

revealing, in that the same people, the administrators, answered for each group--themselves, and the employees. The fact that the program directors clearly stated that there was some gap in their perception of the effectiveness of the program as compared to the employees' perception shows a great deal of honesty, as well as a desire to share information, to try to find ways to change these attitudes, and to perhaps change the program.

Some directors, when asked how the program could be improved, said, "if employees would believe that they actually are anonymous." Another said, "if they would only use it," and still another said, "if managers actually understood that many employees have a need to express themselves in this way." One director said, "need to get faster responses--our program loses credibility when it takes so long for an employee to get an answer."

As can be seen, the communication director often stands in a difficult position, right between the employee and management. He or she must convince employees that the program will work, and management that it must be more understanding and credible in order for the program to work.

Strong Support from Chief Executive Officer

Since the program directors rated the chief executive officer's support as quite high, with 26 companies reporting full support, it would seem to follow that in order to have

an upward communication program at all, one must have whole-hearted support from this person.

Support of Employees Fairly High

Employee attitude was also ranked on a five-point scale, from strongly favored to strongly disliked. The average rating was 3.82, or fairly well-liked. Possible reasons for the less than whole-hearted support could rest with the program itself--perhaps some employees feel they wait too long for responses, or perceive that the answers to their questions are not entirely honest. On the other hand, the attitude could have more to do with the unrealistic expectations some employees may have had about what the program could do for them.

Program Budgets and Operating Staff

Although the large majority of the companies' programs operate on a budget of less than $20,000 annually, some of the costs of the program may be hidden in the budget of another area, possibly the Personnel department. Management supervision costs of the program may not customarily be reported in the program budget.

Furthermore, although most companies reported that one or two persons operated the upward communication program, it is unclear whether they are all on a full-time basis. The most common arrangement seems to be one professional

staff member and one clerical worker.

The lack of clarity regarding both the program budgets and staff is a weakness of the questionnaire.

Anonymity of Employee Important

Since 95 percent of the companies maintain the anonymity of the employee asking the question, this program feature seems to be highly important in operating a successful upward communication program. The only programs that did not report an anonymity feature were those that had a format which required face-to-face communication.

Since more than 50 percent of the respondents had a program director or liaison who takes concerns to management and gets back to the employee, it seems logical that the anonymity feature is an essential part of this type program.

The guarantee of employee anonymity is taken quite seriously by program directors. One example of this is that of those who said they would reveal the employee's name in order to solve a problem, two-thirds would do so only with the employee's permission.

Question Areas

The three question areas arising in order of frequency are: company benefits, working conditions and personnel problems. It would seem that the most common types of

questions are those which relate to employees' personal comfort and well-being on the job.

Most Questions Answered

Although there are some questions that may not be published because they are of a specific nature or that the question is insulting or insensitive, most programs will answer any employee question through the regular program procedure, whether it be letter, telephone call, or face-to-face meeting.

It is evidentally important that employees do get an answer to their questions, although management may be wary of publishing them.

CHAPTER V

SUMMARY AND CONCLUSIONS

The purpose of this study was two-fold--to determine the state of the art of upward communication programs in non-industrial companies, and to investigate the effectiveness of such programs.

Regarding the first objective, the study found that upward communication programs are quickly finding their way into a growing number of American firms. The wide response rate (43 percent) to the first questionnaire, which included responses from companies that did not have an upward communication program, indicates the great interest among businesses to find out more about these programs and how they work. The 66 percent response rate to the second questionnaire, which was sent to companies that reported they had an upward communication program, also indicates a desire on the part of companies to share and gain information about their own programs. Furthermore, there is a strong indication that the use of such programs will continue to grow in U.S. corporations, based upon the fact that a number of companies without an upward

communication program indicated they were planning to start a program or were interested in starting one in the near future.

The study found that upward communication programs are still relatively new in American corporations--the median number of years these programs have operated is three years. Sixty-nine percent of companies with programs indicated they were operated company-wide.

The study showed a concentration of upward communication programs in two industries: life insurance and commercial banking. Sixty-three percent of the companies reporting such programs were within these two industries. The reason for the preponderance of programs in these areas could rest in the fact that both industries rely extensively on service to the customer. Techniques developed to further this goal very likely extended to communication with the employee.

Another possibility is the fact that the country's number one companies in banking and life insurance--Bank of America and Prudential--each have long-standing upward communication systems. The literature search found that Bank of America's program has existed since 1970, and Prudential's since 1971. It is highly probable other companies in the industry may have decided to follow the example of these leaders.

Furthermore, the data showed that the two industries

had a high tendency to operate more than one type of upward communication program. Forty-three percent of the life insurance and 19 percent of the commercial banking companies said they operated multiple programs. These were by far the highest percentages of multiple programs found in any other industry in this study. There seems to be a willingness to try a variety of approaches to employee-management communication within the two lines of business.

One type of program vastly dominates all other program types, the research discovered. This is the "designated program director," or liaison who takes employee concerns to management and brings back a reply to the employee. Seventy-three percent of the reported 62 companies use this type of program. It is the predominant type of program within all industries, for all organizational sizes, and each program age category. In addition, the tendency to use the program increases with employee numbers, as well as with the number of employee inquiries per year.

Some advantages of this type of program for the manager can readily be seen. First, a program administrator can take the burden off the manager, who, although he or she must discuss the employee complaint or question with the administrator, does not deal with the employee face-to-face. In some programs, the answers are actually drafted by the administrator so that the manager does not need to take a great deal of time from his or her workload to

handle employee questions.

Secondly, the program director provides coordination and centralization of information. Filing of past answers in order to readily determine what company policy is for some issues is of great service to the manager. The practice also provides consistency in answers, and guards against different managers giving conflicting information to employee questions, which hurts the credibility of the program.

For the employee, the benefit of such a program is having an intermediary present his or her case when he or she might feel uncomfortable in doing so. Also, since the study found the majority of such programs guaranteed employee anonymity, the employee is reassured that asking a question will not result in "punishment."

The study also found a relationship between the size of the company and the likelihood of having an upward communication program. Eighty-five percent of the companies with programs reported less than 20,000 employees. Perhaps one reason for this is the fact that it is costly to initiate a program across a large company. Staffing and starting a smaller program presents less difficulty, and provides more of a chance to work the "bugs" out. The smaller company also affords easier access to top management.

Regarding the second objective--discovering the

effectiveness of the programs--the study found that existing upward communication programs are generally viewed as effective, both by program administrators and, to a lesser degree, by employees.

The study indicates that program directors on the whole feel quite positively about the effectiveness of the programs they administer, although they also feel there are weaknesses. A strong majority of the directors state that their employees are free to ask questions without fear of reprisal, that their program enables management to learn employee concerns, that it allows employees to express their frustrations, and that it points out potential trouble areas that might otherwise be overlooked.

A majority of the directors also stated that they believe that company managers do not resent the program and do not feel that it takes situations out of their direct control. This indicates that although employees and management may be at variance on issues, managers who must answer employee questions have on the whole accepted these programs.

Although program directors gave their programs quite high marks in effectiveness, the study also showed they perceive employees rate the programs as only moderately high in effectiveness. One reason that employees are not more wholehearted in their support of the program is its lack of credibility in some areas, directors said.

In fact, in the questionnaires that indicated only moderate support of the program from employees, the comment section was generally filled with statements about how the program could improve its credibility. One said, "We need more follow-up, to make sure that promised action actually happens." Another said, "We need to publish sensitive issues," and "need to zero in on the real answer." A third comment was, "Faster responses are necessary for real program acceptance."

The study also found that although employees seem to feel that the program gives them a sense that management is listening and wants to hear their opinions, they at the same time do not feel they are contributing to real policy-making decisions within the company. Although no respondent indicated in the "comment" section that employees felt frustrated over this aspect, it should be noted that these are the program directors' opinions, and not employees'.

Similarly, the study points out that directors feel employee opinions gained through the program have only a moderate effect upon management when it is formulating company policy. At the same time, the majority of program directors stated that this was not a significant goal for the program when it was initiated.

Study results also showed that program goals and their eventual achievement were closely aligned. This finding

indicates that if a goal is deemed to be important to the company management when the program is formed, the goal will most likely be achieved. This phenomenon could be what is called a "self-fulfilling perception."

The three most significant goals for their programs, as perceived by the directors, were: 1) to give employees a sense that management is listening and wants their opinions, 2) to point out potential trouble areas that might be overlooked otherwise, and 3) to learn employees' concerns. The second goal, "to point out potential trouble areas that might be overlooked otherwise," was achieved in 82 percent of the companies. The other two were achieved in two-thirds of the companies. The goal of giving employees a chance to participate in company policy-making decisions were rated with nearly the same low degree of significance and achievement.

The question areas that were found to arise most frequently from employees were: company benefits, working conditions, and personnel problems. It appears the majority of employee concerns are within the area of personal comfort and well-being on the job, rather than with making company policy decisions.

The study strongly indicated that in order to have a successful upward communication program, support from one's chief executive officer was essential. The research also showed that most managers and employees are kept

informed of the programs through the company publication--usually through a question and answer column in the paper.

Although there are some questions that management may find too sensitive or too specific to be printed in the company publication, most program administrators stated that their program will answer any employee question, provided that the employee has identified himself or herself. It is apparently important to most companies that employee questions are answered through the program, although management may be wary of publishing them.

Finally, all of the liaison programs mentioned in this survey guarantee employee anonymity, a factor that encourages employee trust in the program, and makes it easier to ask questions which an employee would normally be hesitant to bring up. It would follow that employee anonymity is an essential feature in the success of these programs.

A. Implications

In response to many factors, American companies seem to be looking for ways to listen to their employees. Some reasons for this departure from the traditional methods of corporate communication include the increase of educated, articulate employees entering the work force, and the growth in size of businesses, which has made the traditional methods of communication less reliable. The rapid

growth in the number of upward communication programs within a short span of years indicates that more companies can be expected to implement such programs in the future.

In addition, there is a strong possibility that companies with existing upward communication programs will utilize additional avenues of upward communication to supplement systems they have. This is based upon the fact that the two industries with the highest percentage of programs--life insurance and commercial banking--also have the highest number of multiple programs. Obviously, their initial ventures into the field of upward communication have been successful, or they would not have begun supplementary programs.

It would seem appropriate, therefore, for those companies wishing to start an upward communication program to look to the life insurance and banking industries for information and advice before starting a program. The two industries' longer length of time with this field as compared to other industries, as well as their experience with various types of programs, makes them a valuable source of information in this regard.

In addition, companies wishing to start such a program should also consider the advantages of the liaison or program administrator system, based upon the overwhelming popularity of this program within all industries and all sizes of companies. Its advantages for both manager and

employee have been outlined in the previous section. One aspect of the liaison program--employee anonymity--appears to be an integral part of the program and a factor in its success.

The fact that program goals and achievements are closely aligned makes it clear that the more importance the company places on certain program goals, the more likely it is that they will be achieved. Companies should, therefore, clearly outline the objectives for the proposed program, and communicate to both employees and management what the program is intended to do.

It would appear that employee participation in policy decisions is not an objective for upward communication programs at this time, as evidenced by the low significance and achievement rating this goal was given by program directors. At the same time, "giving employees a sense that management is listening and wants their opinions" was viewed as an important goal by directors. It would appear then, that the main goal of the program is to give employees another avenue for voicing their complaints and concerns when all normal channels have been exhausted, rather than to give employees a voice in setting company policy.

Upward communication programs, in order to have full support from employees, must be credible. Program directors should guard against certain pitfalls within their

programs in order to maintain program effectiveness. Slow responses to questions, lack of follow-up, side stepping the question, and only publishing "safe" questions and answers are examples of ways to reduce the program's credibility. Therefore, those wishing to start a program should be aware that employees will perceive quickly if the program is mere "window dressing," and that the company is not serious about true communication with the employee.

Further, since the success of the program is directly related to the importance attached to it by the chief executive officer, it would seem advisable for those wishing to start a program within their company to completely inform and persuade this person of the advantages of such a program in order to have his or her full interest and support.

B. Suggestions for Further Research

Since this study was limited to program directors, it would be useful to validate the findings from each constituency--employees and management as well as program directors.

One obvious suggestion for research would be to survey employees on the effectiveness of the upward communication programs within their companies. This survey points to several aspects that could be explored--namely, what do employees want in an upward communication program? Do they want a voice in policymaking decisions? How would they

improve the existing system?

The other obvious suggestion is a survey of management on the effectiveness of upward communication programs and what they see as strengths and weaknesses in the systems within their companies.

A survey of the Fortune 500 Top Industrial Companies to see what types of programs are within that sample could also be informative. The comparison of programs within industrial and non-industrial companies might show some interesting differences.

The labor union issue has not been touched at all in this survey. Such questions as, whether companies use upward communication programs to avoid employee demands for labor unions, and whether the programs are effective in doing so have not been explored, to the author's knowledge.

An examination in more detail of the face-to-face communication programs could provide valuable information. This study dealt primarily with the liaison type upward communication program; however, employee committees and panels which decide important company matters are quite strong in many corporations. A comparison of the effectiveness of these programs versus the liaison type program could provide knowledge to company managers who wish to start upward communication programs within their companies, as well as contribute meaningful insights leading to the improvement of communication within business organizations.

Since the success of upward communication programs has been shown to be directly related to the degree of support given it by the company's chief executive officer, an interesting study might be to see what effect the change in the chief executive officer within a company would have on a given program.

Another possible study would be to trace the exact genesis of upward communication programs and their development. Although it is known that certain companies have older upward communication programs than others, and that many factors resulted in the creation of such programs, to this author's knowledge, there has been no study on how the concept of upward communication programs within business organizations started.

Finally, since there is so much activity within the life insurance and commercial banking industries with regard to upward communication programs, an investigation into the reasons why these industries, and not others, have provided such fertile ground for the growth of these programs could present some conclusions useful to companies in all industries.

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APPENDIX A

QUESTIONNAIRE #1

UPWARD COMMUNICATIONS QUESTIONNAIRE #1

1. Company Name _____

2. Company Address _____

3. Name of person to whom future correspondence should be directed _____

_____

4. Type of principal business

___a. Commercial Banking
___b. Life Insurance
___c. Diversified Financial
___d. Retailing
___e. Transportation
___f. Utilities

5. Organization size by number of employees

___a. under 5,000
___b. 5,000 to 20,000
___c. 20,000 to 50,000
___d. 50,000 to 100,000
___e. more than 100,000

6. Does your company have a formalized "upward communication" program? ___yes ___no

(If the answer to question #6 is yes, please answer following questions. If the answer is no, we would appreciate your returning the form filled out through #6.)

7. Is your "upward communication" program used company-wide? ___yes ___no

If no, what is the limit to the extent of your program? _____

_____

8. How many years has your program been operating? _____

9. How many inquiries are handled per year? _____

10. Type of "upward communication" program utilized (check all that are applicable)

___a. Employees direct concerns to top management without using an intermediary.
___b. Employees direct concerns to designated program administrator, who presents them to top management.
___c. Employees direct concerns to fellow employee who presents them to top management.
___d. Employees direct concerns to employee representative not in employ of company, i.e., an outside consultant, who presents them to top management.
___e. Other (please explain) _____

_____

11. Who handles your "upward communication" program?

_____Title

_____Department

12. I would like to receive the results of this study when both this and the second questionnaire have been analyzed. ___yes ___no

APPENDIX B

QUESTIONNAIRE #2

UPWARD COMMUNICATION QUESTIONNAIRE #2

The purpose of this section of the questionnaire is to determine the objectives for your upward communication program, and your feelings about the degree to which they've been achieved so far. Following are a number of statements which may be objectives for your program.

If you feel the objective is highly significant in your program, draw a circle around the HS to the right of the statement; if you feel the objective is significant, circle the S; if you think the objective is neither significant nor insignificant, or feel it does not apply, circle the N; if you feel the objective is insignificant, circle the I; and if you feel it is highly insignificant, circle the HI. Please make this decision for each of the statements on this questionnaire.

For each of the same questions, please rate the degree to which you think the objective has been achieved. If you feel the objective has been surpassed, circle OS; if you feel the objective has been achieved, circle OA; if you feel the objective has neither been achieved, not achieved, or does not apply, circle the N; if you feel the objective was not achieved, circle NA; and if you feel the objective is unlikely to be achieved, circle U.

Program objective	Degree of Significance	Degree Achieved
A. To give employees a sense that management is listening and wants their opinions	HS S N I HI	OS OA N NA U
B. To point out potential trouble areas that might be overlooked otherwise	HS S N I HI	OS OA N NA U
C. To learn employee's concerns	HS S N I HI	OS OA N NA U
D. To let employees participate in the management or formation of company policy	HS S N I HI	OS OA N NA U
E. To provide a safety valve for employee frustration	HS S N I HI	OS OA N NA U
F. Other (please rate and explain)	HS S N I HI	OS OA N NA U

_____

_____

_____

_____

The purpose of this section of the questionnaire is to determine your attitudes about your company's upward communication program. Following are some statements with which you, as program director, may agree or disagree.

If you strongly agree with the statement, draw a circle around the SA to the left of that statement, if you agree, circle the A; if you neither agree nor disagree, or the statement does not apply, circle the N; if you disagree with the statement, circle the D; and if you strongly disagree, circle the SD. Please make this decision for each of the statements on this questionnaire.

SA A N D SD 1. Program gives employees a sense that management is listening and wants their opinions.

SA A N D SD 2. Program enables management to learn employees' concerns.

SA A N D SD 3. Program allows employees to express their frustrations.

SA A N D SD 4. Employees' opinions gained through program are taken into consideration by management when formulating company policy.

SA A N D SD 5. Program points out potential trouble areas which might otherwise be overlooked.

SA A N D SD 6. Some managers resent the program because it takes a situation out of their direct control.

SA A N D SD 7. Program points out inconsistant company procedures.

SA A N D SD 8. Employees are free to ask questions without fear of reprisal.

SA A N D SD 9. Answers to employees' questions are credible.

SA A N D SD 10. Length of time required to get an response to an employee is reasonable.

SA A N D SD 11. Answers to employees' questions are clear and informative, even though they may not be the answer the employee wanted.

SA A N D SD 12. Other (please rate and explain.) _____

_____

_____

13. Does the program have the full support of your chief executive officer? (Place an X in the space which most closely represents your opinion with an X to the far left signifying full support and an X to the far right signifying no support.)

full support ____: ____: ____: ____: ____: no support

____ don't know

The purpose of this section of questions is to determine your perception of employees' feelings about the upward communication program.

If you strongly agree with the statement, draw a circle around the SA; if you agree, circle the A; if you neither agree nor disagree or the statement does not apply, circle the N; if you disagree with the statement, circle the D; and if you strongly disagree, circle the SD.

SA A N D SD 1. Employees have a sense that management is listening and wants their opinions.

SA A N D SD 2. Employees feel they are participating in the management of the company.

SA A N D SD 3. Employees feel free to ask questions without fear of reprisal.

SA A N D SD 4. Employees use program to express their frustrations.

SA A N D SD 5. Employees use program when normal "chain of command" would satisfy their needs.

SA A N D SD 6. Employees see the answers to their questions as credible.

SA A N D SD 7. Employees feel length of time to get a response to their questions is reasonable.

SA A N D SD 8. Employees feel changes in policy come about as result of their complaints.

SA A N D SD 9. Employees feel that the answers to their questions are clear and informative, even though they may not get the answer they want.

SA A N D SD 10. Other comments (please explain and rank)

_____

_____

11. Are employees generally in favor of the program? (Place an X in the spot which most closely represents your opinion)

strongly favor ____: ____: ____: ____: ____: strongly dislike

12. If your answer to question above is based upon an employee poll, when was it given and what were the results? (Use the back if necessary or include information with questionnaire.)

_____

_____

_____

_____

PART II

1. Type of principal business

___a. Commercial Banking
___b. Life Insurance
___c. Diversified Financial
___d. Retailing
___e. Transportation
___f. Utilities

2. Organization size by number of employee

___a. under 5,000
___b. 5,000 to 10,000
___c. 10,000 to 25,000
___d. 25,000 to 40,000
___e. 40,000 to 55,000
___f. 55,000 to 70,000
___g. more than 70,000

3. Is your "upward communication" program used company-wide? ___yes ___no

If no, what is the limit to the extant of your program? _____

_____

4. How many years has your program been operating? _____

5. How many inquiries are handled per year? _____

6. Type of "upward communication" program utilized (check all that are applicable)

___a. Employees direct concerns to top management without using an intermediary.
___b. Employees direct concerns to designated program administrator, who presents them to top management.
___c. Employees direct concerns to fellow employee who presents them to top management.
___d. Other (please explain)

_____

_____

_____

7. Briefly explain the steps of your program from the time an employee asks a question to the time it is answered

_____

_____

_____

_____

_____

_____

8. a. Is your program one which maintains the anonymity of the employee asking the question? _____ yes _____no

   b. If yes, are there certain circumstances which require revealing the identity of the employee to management? _____yes _____no

   c. If yes, what are those circumstances? _____

   _____

9. What are the question areas that arise most frequently from employees? (Rank from 1 to 5 with 1 being the question arising most often.)

   ___a. Working conditions
   ___b. Salary
   ___c. Company benefits
   ___d. Personnel problems within one's working environment
   ___e. Promotions
   ___f. Other (please explain)

   _____

   _____

10. How many people work in your program? _____

11. What is the approximate annual budget for your program?

   ___a. under $20,000
   ___b. $20,000 to 30,000
   ___c. $30,000 to 40,000
   ___d. $40,000 to $50,000
   ___e. $50,000 to $60,000
   ___f. more than $60,000

   What department administers your program?_____

12. What are the ways in which employees are informed about the program? (check all applicable)

   ___a. periodic memos and/or reports
   ___b. bulletin boards
   ___c. printing questions and answers in company house organ
   ___d. displays
   ___e. Other (please explain)

   _____

13. What are the ways in which top management is kept current about program?

   ___a. periodic memos and/or reports
   ___b. bulletin boards
   ___c. printing questions and answers in company house organ
   ___d. displays
   ___e. Other (please explain)

   _____

14. What percentage of questions do you answer? _____%

15. If there are some you do not answer, why not?

___a. Question is too sensitive
___b. Question is critical of company policy
___c. No way to contact employee
___d. Question is insulting (to either persons or a particular area)
___e. Not enough information in question to answer completely

16. What percentage of questions do you publish? _____%

17. If there are some you do not publish, why not?

___a. Question is too sensitive
___b. Question is critical of company policy
___c. No way to contact employee
___d. Question is insulting (to either persons or a particular area)
___e. Not enough information in question to answer completely
___f. Question is too specific to be of general interest

18. What is the title of the person who makes the decision as to whether it will be published? _____

19. How can your program ultimately be of more value than it is already?

_____

_____

_____

_____

_____

Results of this questionnaire will be mailed as soon as they are compiled and analyzed.

Thank you again for your cooperation and assistance.